



Daily Report

East Europe

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Friday
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Germany, Britain, FRY React to Serb Decision

AU0408131094 Paris AFP in English 1250 GMT 4 Aug 94

[Excerpts] UNDATED, Aug 4 (AFP) [Dateline as received]—The Belgrade government on Thursday [4 August] broke off political and economic ties to punish the Bosnian Serbs as members of the "Contact Group" dismissed their decision to hold a referendum on an international peace plan. [passage omitted]

The move was the strongest reaction so far to a decision by the Bosnian Serb "parliament" to reject the peace plan proposed by the international Contact Group—Britain, France, Germany, Russia and the United States—and instead submit it to a referendum. [passage omitted]

Other countries in the Contact Group also reacted to the Bosnian Serb decision.

Britain said it was unhelpful. "The Bosnian Serb vote to move to a referendum doesn't help," said a Foreign Office spokesman. "The Bosnian Serb leadership have again failed to do what the international community expects of them, which is to accept unequivocally the contact group's proposal. Nothing else will suffice."

Germany said it "enormously regretted" the decision but a senior government official, speaking on condition he not be named, said "the measures to take will be determined along the lines determined by the Geneva resolutions."

He was referring to decisions taken last Saturday by the contact group which notably agreed to call on the United Nations to strengthen sanctions against Serbia. [passage omitted]

OIC Requests UN Troops on Bosnia-FRY Border

AU0408161994 Paris AFP in English 1550 GMT 4 Aug 94

[Text] Geneva, Aug 4 (AFP)—The Organization of the Islamic Conference [OIC] called Thursday for UN troops to be deployed along the Bosnia-Yugoslav border to close down the flow of arms from Belgrade after its decision to cut ties with Bosnian Serbs.

In a statement OIC foreign ministers also called on the UN Security Council to lift the arms embargo against Bosnian Moslems, proposed sending military support to the Bosnian Government, and called for more protection for UN safe areas in Bosnia.

The move came after Belgrade cut economic and political ties with its Bosnian Serb cousins following their rejection of the latest international peace plan, according to the Tanjug news agency, quoting a government statement.

The OIC statement called on the Security Council to ensure "the prevention of further and illegal flow of

military assistance in manpower, weaponry and equipment from the FRY through the stationing of international (monitors) along the borders of the Republic of Bosnia-Herzegovina."

It also called for "the immediate confirmation of the inapplicability of the arms embargo imposed by Security Council Resolution 713 to the Republic of Bosnia-Herzegovina and restoration of its right of individual and collective self-defence."

The statement was issued after a meeting here of the foreign ministers of Bosnia-Herzegovina, Turkey, Saudi Arabia, Iran, Egypt, Malaysia, Pakistan and Bangladesh.

It called on the world body to ensure "the effective protection of the existing safe areas, as well as the establishment or extension, of new safe areas/exclusion zones."

The statement concluded: "In this context if no Security Council confirmation is forthcoming, the OIC membership, along with other UN members, may come to the conclusion that they can provide the means of self-defence to the government of the Republic of Bosnia-Herzegovina consistent with article 51 of the UN charter."

UN Envoy Calls For Greater Asian Role

AU0408203394 Paris AFP in English 2018 GMT 4 Aug 94

[Text] Salzburg, Austria, Aug 4 (AFP)—Asian countries should play a greater role in helping to resolve the conflict in the Balkans, UN special envoy to ex-Yugoslavia Yasushi Akashi said here Thursday.

The UN envoy said in particular China, Japan and South Korea could play a greater role.

The three states had few historic links in the region, which gave them "more possibilities" than other more involved states, he said, speaking at the 37th International Diplomatic Seminar.

Akashi said that since many European countries took part in UN operations in Cambodia, he did not see why Asian states should not become equally involved in Europe.

UN Human Rights Official's Report Published

AU0408194394 Paris AFP in English 1903 GMT 4 Aug 94

[Text] Warsaw, Aug 4 (AFP)—Bosnian Croats are continuing "soft ethnic cleansing" of Moslems from their half of the divided southern Bosnian city of Mostar, the UN rapporteur on ex-Yugoslavia charged in a report published here Thursday.

"The special rapporteur has received reliable reports of the ongoing harassment of Moslems living in areas controlled by Bosnian Croats, including attacks and evictions," Tadeusz Mazowiecki wrote. "International

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observers state that a form of 'soft ethnic cleansing' continues to result in the displacement of Moslems from West to East Mostar," the report added.

It was based on a visit Mazowiecki, a former Polish prime minister, made to Bosnia-Herzegovina, Macedonia [The Former Yugoslav Republic of Macedonia] and Zagreb between July 17 and 31.

"East and West Mostar are now almost entirely divided and are governed by two authorities, each with its own mayor," Mazowiecki went on. "These authorities are understandably wary of each other and the Bosnian Croat authority in particular is unwilling to make significant efforts at reconciliation."

Mostar, although part of the new Croat-Moslem Federation, was put under European Union control because of fierce underlying ethnic tension following bloody fighting there earlier in the Bosnian conflict.

In light of the ongoing "soft ethnic cleansing," the report added, "all initiatives towards reconciliation are welcome, including the recent demilitarization of the city and the first tentative attempts at meetings between various groups belonging to the Muslim and Bosnian Croat communities."

Turning to another part of Bosnia-Herzegovina, the UN rapporteur said he "was deeply shocked by his visit to the civilian detention camp in Velika Kladusa" in the

northern part of the Bihac pocket, held by Moslem separatist leader Fikret Abdic.

"The prisoners are held in buildings not fit for human habitation and which lack basic amenities such as sanitation, proper bedding and other provisions essential for the maintenance of human dignity," he wrote.

"Among the detainees, there are disabled and injured people urgently in need of, and not receiving, medical care. Many detainees have been subjected to mistreatment by their guards. Detainees are being sent for days at a time to engage in forced labour, sometimes close to confrontation lines."

Mazowiecki recalled that immediately after his visit, he appealed to Abdic to release all prisoners held there.

On Macedonia, subject to a Greek trade embargo, the rapporteur said that former Yugoslav republic "should receive adequate compensation for losses connected with sanctions."

He said, "The embargo must be lifted and the country should receive equal treatment of its applications to join various international organizations."

Athens objects to Macedonia calling itself by the same name as a Greek region and accuses the country of having expansionist designs on its neighbor.

Helsinki Committee 'Concern' Over Press 'Crisis'

*AU0508092094 Tirana TVSH Television Network in
Albanian 1800 GMT 4 Aug 94*

[Text] The Albanian Helsinki Committee reports for Albanian Television that it expresses its concern over the difficult economic and financial situation that the overwhelming majority of the press is currently facing. The crisis in which the press is engulfed originates in certain fiscal measures that the government has lately applied. Although fully justified when applied to other profitable activities, these measures are putting an excessive burden on many newspapers and are exposing them to the threat of bankruptcy.

We remain hopeful that the government will investigate the matter thoroughly in a spirit of goodwill and temporarily suspend the measures until the problem is fully resolved.

'Some Local Newspapers' Begin 3-Day Strike

*AU0408120194 Tirana Radio Tirana Network in
Albanian 1100 GMT 4 Aug 94*

[Text] According to a statement announced several days ago, some local newspapers began a strike today. A report by the strike committee states that the strike is simply economic in nature. The committee also states that, considering that the situation created serves no one and information is one of the basic aspects of a free society, it has been decided that the strike will continue for three days and be suspended on Sunday, 7 August 1994.

Meanwhile, the strike committee will contact the government for a satisfactory solution.

RDP Council Blames Dimitrov for SDS Failures*AU0408110594 Sofia KONTINENT in Bulgarian
1 Aug 94 p 2*

[Text] Sofia—"The RDP [Radical Democratic Party] strongly protests the brutal political act of freezing the Democratic Party's membership in the National Coordinating Council [of the Union of Democratic Forces, SDS]," states an address that the RDP National Council adopted at its meeting over the weekend. The Radical Democrats object to the attempts to eliminate the coalition nature of the SDS and the acts aimed at splitting the union.

The RDP calls upon the chairman of the National Coordinating Council and members of the salaried party apparatus at 134 Rakovski Street to assume responsibility for the losses suffered in the local elections. "If Filip Dimitrov interprets his personal responsibility as requiring his resignation, let him do it," the RDP members stated.

The RDP council leveled biting criticisms against the National Coordination Section of the National Coordinating Council and will probably demand the removal of section chief Dimitur Kantardzhiev. According to the Radical Democrats, national coordinators allegedly toured the country and broke up local SDS structures that had been built up. According to them, SDS Chief Secretary Ivan Kurtev is heavily to blame for this action; the RDP has objections to him and will probably demand his removal. In their speeches at the meeting, some individuals also alluded to the issue of Stefan Savov's resignation [from deputy chairmanship of SDS National Coordinating Council], but the official document of the address contained no reference to this.

The Radical Democrats are not afraid of the possibility that the SDS National Coordinating Council will freeze their own party's membership when it meets today. Even if the council deals with them as it did with the Democratic Party, they will defend the views stated in their address. Georgi Panev is reported to have voted against adopting the address. He told journalists that in his view the contents of the document did nothing to help consolidation of the SDS coalition. National Assembly Deputy Georgi Karev abstained, because he does not agree that Filip Dimitrov and the National Coordinating Council are solely to blame for the state the SDS is in. In his view, the statements made by some Democratic Party leaders do not conform to the coalition's ethical standards.

For the time being, the RDP will not nominate a representative to replace Asparukh Panov as deputy chairman of the SDS National Coordinating Council. If at its meeting today the SDS National Coordinating Council proposes a draft for a new political agreement between the SDS member parties, the RDP will ask for its examination to be postponed. However, they are already conducting bilateral negotiations with the United Christian Democratic Center.

There is also a possibility of concluding an agreement with the Democratic Party, whose Plovdiv organization yesterday split over the issue of its secretary, Spas Gurnevski. KONTINENT correspondent Aneliya Kirova recalls that the Democratic Party leadership expelled Gurnevski for supporting the SDS National Coordinating Council against Zlatka Ruseva.

'New Choice' Alliance Co-Chairman Views Goals*AU0408062194 Sofia TRUD in Bulgarian 29 Jul 94
pp 1, 3*

[Interview with Dimitur Ludzhev, co-chairman of New Choice political alliance and chairman of the New Policy Center, by Todor Tokin; place and date not given: "If You Are Trying To Accomplish a Reform, You Need the Support of a Political Force"]

[Excerpts] [TRUD Editorial Note] New Choice is the name of the recently formed alliance between the New Policy Center and the Alliance for Democracy which was confirmed by the signing of an agreement on 28 July 1994 between Ivan Pushkarov, on behalf of the Alliance for Democracy and Dimitur Ludzhev, on behalf of the New Policy Center. They will be the co-chairmen of the joint parliamentary group, which is expected to be registered at the beginning of the National Assembly's autumn session.

[Tokin] Mr. Ludzhev, on whose behalf and to what purpose was the New Choice alliance between the New Policy Center and the Alliance for Democracy, established yesterday?

[Ludzhev] New Choice emerged in the context of our new philosophy of behavior. It can be summed up in a few words. The political model of 1991 does not work any more, neither from the organizational point of view nor from the personnel point of view. The disintegration of the Union of Democratic Forces [SDS] as a democratic alternative is evident. The Bulgarian Socialist Party [BSP] does not offer anything apart from its congress decisions. Let us not talk about infantile attempts to create some kind of left-wing-center coalitions by people who have lost all their public prestige. In this connection we have actually stopped playing the game. This is what the New Choice means, namely to stop playing cops and robbers, to leave the dance of the same old political figures, and to go to the places where a new Bulgaria is being born. To join the citizens who are willing to assume control over their own destinies, to become their own masters, the masters of their business, of their own towns and villages, of the whole country. We made our choice to work with such people and to create a system in Bulgaria that already exists in the other Eastern European countries, and that has been in existence for a long time in every Western European state, namely a liberal formation. We said that we should search for new horizons, that the old days are gone, and that we have a new choice of new people, new politics, and a new future. [passage omitted]

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[Tokin] Who should have access to the New Choice alliance?

[Ludzhev] In the first place, it should admit people who are banned from the political circles today. It is for those whom present politicians are looking down on with disdain. In the second place, the alliance is open to already existing political formations. In the liberal spectrum of our political life, this applies, let us say, to the Democratic Party, the Radical-Democratic Party, and the Bulgarian National Agrarian Union [BZNS]. We shall seek points of contact with partners with whom we are sharing close views. In the near future, I could envisage a liberal-democratic configurations encompassing the Democratic Party, the Radical Democratic Party, together with our New Choice alliance. Let us hope that the Alternative Socialist Party [ASP] will join us, as long as its members make their choice in favor of liberalism, rather than for socialism. Such a configuration is likely to claim a joint political alternative.

[Tokin] Is it possible that the near future you are talking about might be September 1994?

[Ludzhev] It is possible. The process should include a sensible dialogue with the more moderate wings of the Bulgarian Socialist Party [BSP]. Nevertheless, Bulgaria's interest and the question of how to make the state work should prevail over everything else. We shall raise the question of a new government, because the current one, considering the forces that are supporting it and the fake pretense of running the country it displays makes it no longer tolerable. The new majority should be formed by all political forces except the extreme left and the extreme right. Elections should be held only when all other possibilities are exhausted. Hence it is worthwhile working for a strong reform government based on an unequivocal social contract between the groups that are likely to support it. I think that, even within the BSP, there are people who understand the necessity for such a government.

[Tokin] Liberal formations, new majority—do such plans not coincide with President Zhelev's ideas?

[Ludzhev] We have friendly relations with the president, but we greatly differ on the methods and ways of founding a new alternative political force in our country. I elected the straightforward method of persuasion and, together with my friends, toured the towns and villages to recruit people for our organization. Zhelev does not believe in such methods, he is looking for some kind of coalition. He preferred political negotiations and deals to straightforward political commitments. The fact that he is the president of the country should not prevent him from becoming the leader of a strong, liberal, alternative movement. Other statesmen, even great statesmen, have done so. However, everyone has his own convictions. You see that today he is holding talks with people who insulted him only yesterday, but he is doing it for Bulgaria's sake.

[Tokin] There are two more formations led by former deputy prime ministers in parliament, namely the ASP and the Civic Alliance for the Republic [GOR]. What are your relations with them?

[Ludzhev] I have never been in favor of confrontation and aggression. My relations with Nikolay Vasilev are excellent and we have no disagreements on the necessity for a liberal policy. He has problems with one wing of his party which would like to jump on the BSP wagon. As far as GOR is concerned.... the question is more complicated. It is a problem of origins, because our supporters cannot easily accept the idea that people who belonged to the BSP until recently have become Liberals overnight. I do not deny their right to be pragmatic, but I am not convinced that GOR can be an exponent of liberal principles. Let us hope that time will show us whether GOR can one day be identified with a truly liberal alternative. [passage omitted].

Parties Discuss 'Provoking' Early Elections

AU0308203594 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 3 Aug 94

[Text] Zhan Videnov, chairman of the Bulgarian Socialist Party [BSP], met Rumen Popov, chairman of the Fatherland Party of Labor, in Sofia today. The meeting took place at the request of the Fatherland Party of Labor and was attended by Mrs. Nora Ananieva, chairman of the Parliamentary Union for Social Democracy.

The establishment of a left-center election coalition was not mentioned during the talk, because as Mr. Popov explained, no real conditions for discussing forthcoming elections exist in Bulgaria as yet. The Fatherland Party of Labor appreciated the BSP's proposal for holding elections on the basis of a mixed electoral system.

The talks between the BSP and its coalition partner, the Fatherland Party of Labor, focused on the necessity of joint parliamentary actions aimed at provoking early elections in the late autumn of 1994.

The two sides also discussed the work of the Berov government.

Mrs. Nora Ananieva specified the problems of the cabinet as viewed by the BSP in talking to our reporter.

[Begin Ananieva recording] We started with the problems of security, namely of domestic and national security, and with the situation in the Army by pointing out the Council of Ministers' practical incapacity of coping with the current conflict in a civilized manner, in a manner likely to consolidate, rather than to destabilize, the army. This is our joint assessment, which might be discussed in the late autumn as one of the options for distancing ourselves from the government, depending upon the extent to which the defense minister intends to pursue his current adventurous actions. [end recording]

Ilinden OMO Barred From Commemorating Uprising*AU0408110494 Sofia KONTINENT in Bulgarian 1 Aug 94 p 2*

[Text] Blagoevgrad—The 103d [as published] anniversary of the Ilinden-Preobrazhenski Uprising was commemorated yesterday with public festivities in Blagoevgrad, Petrich, Bansko, the town of Gotse Delchev, and Sofia. The celebrations in Petrich also marked the 980th anniversary of Tsar Samuil's dramatic battle near the village of Klyuch.

A number of gatherings organized by the VMRO-SMD [Internal Macedonian Revolutionary Organization-Union of Macedonian Societies] followed scientific conferences held in Blagoevgrad and Petrich and a festive liturgy at Samuil's castle. Elena Traykova, the only direct descendant of Gotse Delchev, attended the liturgy in the Church of the Assumption in Blagoevgrad.

KONTINENT correspondent Eliana Mladenova reports that the police prevented the illegal Ilinden OMO [Ilinden United Macedonian Organization] from holding events that it planned in Livadite near the village of Mosonishte and in other locations. Together with marking the uprising, the Ilinden supporters also planned to celebrate the 50th anniversary of the foundation of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia].

According to BTA, on Sunday morning [31 July] in Petrich the police prevented 30 Ilinden supporters from laying wreaths at the memorials to Anton Popov and Manush Voyvoda. The group gathered in a private house, where it only agreed to speak to journalists from the Republic of Macedonia.

BTA reports that the festivities to mark the uprising will continue throughout the country during the whole of August, and about 70,000 people are expected to participate.

Liberal Party Leader on Zhirinovskiy, Iraq*AU0308134894 Sofia 24 CHASA in Bulgarian 29 Jul 94 p 10*

[Interview with Veselin Koshev, leader of the Bulgarian Liberal Democratic Party, by Lyubomir Denov; place and date not given: "I Am Fed Up With Francophones and Americanophiles"]

[Excerpts] [Denov] Mr. Koshev, are you offended when people say the LDP [Liberal Democratic Party] is a nationalist party?

[Koshev] No. For us, nationalism primarily means concern for defending Bulgarian interests. In the 1964 dictionary of Bulgarian synonyms, the entry for the word "nationalism" reads "patriotism, love of one's country." If this is what is meant, I am proud to face such a charge.

I am fed up with Francophones and Americanophiles. What our native land needs today is a pro-Bulgarian policy and nothing else. Recently a perverse spirit of internationalism has once again appeared in our country. We are again becoming more internationalist and, at the same time, less Bulgarian. [passage omitted]

[Denov] How long have you known Vladimir Zhirinovskiy?

[Koshev] I first met Zhirinovskiy in Bonn in the summer of 1990. At that time the Liberal Democratic Party of Russia had about 20,000 members. "Hey, we will be brothers again," Vladimir Volfovich said as we were making each other's acquaintance. I retorted sharply: "We were brothers for 45 years; let us now simply be friends." He shot a fierce glance at me, apparently intending to react in his usual style, but then instantly reconsidered, relaxed, smiled amiably, and offered me his hand. We even planned for him to visit Bulgaria, but this did not come about because of [former Foreign Minister] Stoyan Ganev's fulminations at that time against Moscow. It is stupid to accuse Zhirinovskiy of wanting Russia to be our Big Brother again, when he is the only Russian politician who speaks about an independent, democratic Bulgaria.

You Bulgarians gave us our alphabet, Zhirinovskiy said at a news conference in Sofia. In addition, he has always spoken of cultural and economic cooperation, but never about military cooperation.

[Denov] How then do you explain his recent statement in Vienna about wanting Bulgaria to disappear from the world map?

[Koshev] This is yet another political collage aimed against Zhirinovskiy. His statement related to the propaganda orientation of the former socialist countries. In this context, he said that Russian soldiers will not shed their blood again for Bulgaria. In other words, if Turkey attacks us tomorrow, Moscow will not lift a finger, and then Bulgaria will disappear from the world map.

[Denov] What about the map with new borders that many newspapers published some time ago?

[Koshev] His words were again taken out of context from a conversation with journalists. They asked him how the Balkans should look to ensure stability. He then took a map and drew the borders, but it was conditional and theoretical. It was directed toward the past, not the future.

[Denov] What sort of man is Zhirinovskiy?

[Koshev] He is a brilliant speaker and polemicist. He has a provocative nature, and knows six languages. He has two first-class academic degrees, and was never a member of the CPSU [Communist Party of the Soviet Union], which is something that intensely irritates those now in power in Russia. At the moment a closed circle of people control big politics in Russia. If it is not Gaydar,

it is his son; if it is not Petrov, it is his grandson. The old nomenklatura is still in power in Russia, and 90 percent of Bulgaria's current politicians are unsuitable to form its administrative apparatus.

[Denov] Very well, but we believe that a politician should have a balanced personality. Where does this leave Zhirinovskiy?

[Koshev] This is all shock therapy on his part. He wants to shatter the standard image of the politician who graduated from the Moscow Institute of International Relations, a man with a fully developed and ossified way of thinking. Zhirinovskiy is not like those in power, who never said more than they needed to. He is not sterile, as they are. His provocative style is deliberate. [passage omitted]

[Denov] Recently the LDP has been maintaining close links with the Ba'ath Party of Iraq. Why did you choose Saddam?

[Koshev] We oppose all forms of fanaticism. We went to Iraq and saw that what the West is trumpeting about Saddam does not correspond to the truth. There, the word "Bulgarian" is like "Open sesame." Bulgaria used to enjoy exceptional market positions, and it is not too late to regain them. At the moment, Iraq is suffocating under the burden of the embargo, yet the hotels in Baghdad are full of representatives of Western firms, who have prepared their contracts and are waiting for the moment when the embargo ends. This will happen very soon, and I hope for God's sake that Bulgaria will not lose this immense market as well, because of our sluggishness or trying to please some great power.

You see, every day hundreds of trucks leave Turkey with goods for Iraq. The trade going on runs into billions, because there is no embargo on trading in food products and medicines.

KDS Official: Talk of Coalition Premature

AU0508091794 Prague CESKY DENIK in Czech
29 Jul 94 p 2

[Interview with KDS Deputy Chairman Vaclav Benda by Martin Manak; place and date not given: "We Will Discuss Coalitions Only After the Local Elections"]

[Text] Reports on the establishment of coalition cooperation in the coming parliamentary elections appeared in the press last week. In this context, we asked KDS [Christian Democratic Party] Deputy Chairman Vaclav Benda the following:

[Manak] You are considered to be one of the chief initiators of this "coalition courting." To what degree do you believe these contemplations realistic of a merger of the government parties?

[Benda] I really do not know why I should be considered an initiator. These contemplations are fantastic bordering on improbable. I have not given any impetus of this kind. On the contrary, I keep repeating in all talks on practical cooperation in the local elections that the time for contemplation of possible coalitions, cooperation, and closer or looser mergers will come only after the local elections. Until then, such steps are preposterous and counterproductive.

[Manak] The possibility has been mentioned of "dissolving" your party in the Civic Democratic Alliance [ODA]....

[Benda] We must seriously consider all possibilities. We will discuss them earnestly, however, only on the basis of the outcome of the local elections.

[Manak] ODA Deputy Chairman Libor Kudlacek considers the KDS the closest party. Could one at least say which party is the closest one to you?

[Benda] No. I believe that each of the remaining three parties of the government coalition is in some way close to us and in some way represents a problem to us.

[Manak] How would you assess the relations in the coalition after the recent account-taking meeting?

[Benda] The meeting was probably the longest and the least beneficial of all coalition meetings in which I participated. Nevertheless, there are some positive results. On the one hand, it is the emphasis on the fact that the coalition cannot be ruled by an absolute majority in the coalition part of the parliament. That is a warning to the Civic Democratic Party [ODS] as the strongest coalition party. On the other hand, although not said, it came out quite clearly there that the intracoalition opposition or attracting attention by a criticism of the coalition politics has its clear limits. Something like that can be conducted to full extent by the opposition but not by the coalition parties. None of the coalition parties, which did not decide to break the coalition, can rid itself of the

coresponsibility for the shape of this government. In this respect, I value this meeting with slight optimism.

[Manak] Even after ODS Chairman Vaclav Klaus accused ODA, in the context of drafting the state budget, of "left-wing conjuring?"

[Benda] It is the silly season, so I would not take it too seriously. Prime Minister Klaus often opens his mouth and uses strong language. The budget is a topic that requires specific work more than dramatic statements.

Report on Chemapol To 'Reflect' on Privatization

AU0308203294 Prague MLADA FRONTA DNES in Czech 29 Jul 94 pp 1-2

[Article by Jaroslav Kmenta: "StB Spies Could Eliminate Chemapol From the Privatization Game"]

[Text] Prague—The presence of two agents of the former State Security [StB] on the executive board of Chemapol will apparently reflect on the preparation of a new project of privatization of the petrochemical industry.

Kamil Cermak, spokesman of the Industry and Trade Ministry, said yesterday that, if Interior Minister Jan Ruml presents the government with sufficient proof of the collaboration of Chemapol executives with the StB, his department will take this into account when preparing the project.

"The government should really deal with the ponderous report by the Interior Ministry that supplies proof that StB agents are on the executive board of Chemapol," Cermak stated.

According to him, the Ministry would welcome it if the Chemapol shareholders would recall these agents in the instance of their demonstrable positive screening. "Of course, our ministry and the government also hold instruments to prevent Chemapol from participating in the Czech way of refinery privatization," he added.

Two weeks ago, the government rejected the Interior Ministry's analysis of the security aspects of petrochemical privatization. Prime Minister Klaus described this report, which included two names of top Chemapol executives who collaborated with the StB before 1989, as absolutely useless and extraordinarily low-quality material.

The Interior Ministry announced earlier that it has absolute proof that, in addition to one StB agent, there is an agent of the former communist intelligence in the management of Chemapol, who arranged through Chemapol the placement abroad of several spies. "Minister Ruml will submit proof to the government, the parliament, and, if requested, the court," Interior Ministry Spokesman Subert said.

A week ago, the press identified Vaclav Junek, company director general, as one of the two StB agents in Chemapol. Junek responded with a statement that he had never collaborated with the StB. Nevertheless, he decided not to use the courts to clear his name.

Kovac: Relations With Hungary 'Improving'

AU0508112894 Bratislava NARODNA OBRODA in
Slovak 30 Jul 94 p 6

[Report on an interview with Slovak President Michal Kovac by an unidentified correspondent carried by ZEMEDEL'SKE NOVINY; place and date not given: "M. Kovac for ZEMEDEL'SKE NOVINY: A Danger of Reversal Still Looms Over Slovakia"]

[Text] Prague—It is no longer just an assumption; we can speak of an actual trend of improving relations between the Hungarian and the Slovak Republics, Slovak President Michal Kovac said in an interview for the Czech daily ZEMEDEL'SKE NOVINY. There are concrete signs, the president continued, that the new Hungarian Government wants to begin talks immediately with the Slovak side, and not only on signing the already drafted agreements but, above all, on a basic treaty between the two states. In addition, it seems that questions concerning [the] Gabcikovo [hydroelectric project] will be assessed as an expert issue rather than a political one.

Following the parliamentary elections in the fall, it will be necessary to create a coalition government, and I am convinced that this government will want to use the favorable circumstances currently arising between the two states and that it will continue the policy of dialogue and mutual accommodation, Kovac said. Personally, I do not doubt, he emphasized, that we will jointly reach satisfactory solutions to all questions concerning minorities in Slovakia.

Regarding relations with the Czech Republic, it is wrong to speak of compliance, as the opposition does. I am convinced, the president said, that the future government emerging from the fall elections will consider relations with the Czech Republic a priority in its foreign policy. "I myself have seen indications that the Czech Government harbors identical intentions."

We are neither overly modest in talks with our partners nor do we grovel, as it seems to the opposition, Kovac continued. We are sufficiently demanding in important discussions, while our partners appreciate that we are not confrontational, which increases the integrity of Slovak policy. This can be documented by the growing number of invitations to our representatives to visit countries and the frequency of foreign visits to Slovakia.

The president described the attempts at all kinds of referendums as a part of the election campaign and some demands as proof that their authors have fundamentally changed their programs. "I tell you frankly, we have not yet won completely. A danger of reversal and the possibility of leaving the path of economic reforms that we have taken still looms over Slovakia."

According to Kovac, referring to Vladimir Meciar's demands, "even the head of the president of the Republic might be at stake" in the fall elections. If the Movement for a Democratic Slovakia gains great political weight in society in the elections, it will use it to take steps to express no

confidence in the president or some other means of eliminating Michal Kovac as Slovak president.

To the last question, whether he really can imagine a coalition government in the event of an electoral victory of the Movement for a Democratic Slovakia, Michal Kovac answered: "I can imagine such a government."

Moravcik Previews Talks With Hungary's Horn

LD0408175094 Budapest Kossuth Radio Network in
Hungarian 1600 GMT 4 Aug 94

[Text] One of the main topics of the Slovak-Hungarian talks to be held in Bratislava tomorrow will be the Gabcikovo issue. Slovak Prime Minister Jozef Moravcik spoke to our Bratislava correspondent Ildiko Nagy.

[Begin Moravcik recording in Slovak, fading to Ildiko Nagy's summary in Hungarian] We regard the settlement of our relations as a process, in which our talks with Gyula Horn tomorrow can be an important step forward, even if we are unable to resolve all open questions. It needs time. Therefore, we consider it important to determine first the direction and then the conditions.

I believe that tomorrow we will be able to establish the atmosphere of confidence that is necessary for the forthcoming talks, Slovak Prime Minister Jozef Moravcik said in his interview with NEPSZABADSAG and the Bratislava correspondent of Hungarian Radio today.

According to the Slovak prime minister, his country is also interested in intensifying regional cooperation with Hungary, particularly in territories neighboring southern Slovakia, where cooperation could boost the economy. This is why they are ready to open new border-crossing points, or to sign the related documents tomorrow.

As far as the basic treaty and the Gabcikovo dam is concerned, Jozef Moravcik is of the view that the elaboration of a step-by-step rapprochement between the two sides' standpoints is the task of experts. The politicians' task is to have the solutions accepted by the citizens and even to gain support for them.

Slovakia agrees with the Hungarian side's position that there are priorities on the dam issue. The most important of them is the environmental factor, which has to be taken into consideration. However, because here we are talking about a legal dispute—the two petitions have already been submitted to The Hague—both sides are naturally trying to defend their own interests as well.

Answering Hungarian radio's question about how tomorrow's meeting will be assessed by other countries, Moravcik said: It will depend on the outcome. However, endeavors to seek consensus and cooperation already comply with a policy in the European style, and we have no reason to doubt that it will be acceptable for other countries as well. [end recording]

Horn Arrives for Official One-Day Visit

*LD0508082494 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 0800 GMT 5 Aug 94*

[Excerpt] Hungarian Prime Minister Gyula Horn has arrived in Slovakia for a one-day visit today. In his

entourage are, among others, Foreign Minister Laszlo Kovacs and Csaba Tabajdi, chairman of the office for Hungarians beyond the borders. [passage omitted]

Possible Clash in PSL Over Presidential Race

WS0508110194 Warsaw *RZECZPOSPOLITA* in Polish
5 Aug 94 p 2

[Article by Ewa K. Czackowska: "If PSL's Candidate for President Is Not Zych, Conflicts in the Party May Be Aggravated; Pawlak, Zych, Perhaps Struzik"]

[Text] The Polish Peasant Party [PSL] is not yet taking part in the presidential campaign, which has already begun. Only one thing is certain for the time being: The party will field its own candidate. It is also known that, if this candidate is not Jozef Zych, conflicts within the prime minister's party may be seriously exacerbated.

Only One PSL Member...

is found in the rankings of candidates for president: Prime Minister Pawlak. Even though he occupies second or third place, which is not bad, it is not at all certain in the peasant circles that he will run for president on behalf of the party. Asked by journalists whether he would run for president, Pawlak never said no and stressed that it was still too early to speak about that; as a result, the public seemed convinced that he would run. Pawlak has been mentioned as a candidate for this post since the parliamentary election victory by his party. They can see this as another, natural stage in his career. Only recently, in a radio interview, when asked whether he would run for president, the prime minister replied that the decisions concerning this issue made within PSL are different. There is no official information on these decisions; there have not been any final decisions within the party itself. They might have been made only...

In a Small Circle of People...

who are directly interested in it—that is, Pawlak and Zych. The official discussion may be held in a couple of days' time, at the session of the Chief Council. The issue of the candidacy will probably be brought up by the "oppositionists," who can see Jozef Zych as their candidate.

Opponents of Pawlak's candidacy point first of all to pragmatic considerations: avoidance of disorder in the work of the government, which might result from prime minister's participation in the campaign; avoidance of conflicts between the prime minister and the incumbent president, as well as conflicts between Pawlak and Kwasniewski, leader of the coalition, if he is the candidate of the Democratic Left Alliance [SLD]. Apart from that, they stress that, if Pawlak does not run, he may still be prime minister. The peasants are thinking of a situation that is optimal for them but that is politically unrealistic:

Our President, Our Prime Minister

Jozef Zych, a great loser in the coalition agreements, has been getting ready to run for president for a long time now. He is backed by many peasants. Careful observers

note that, because of the weakening role of the Chief Council, the position of Zych in the PSL is losing importance. The person who is now supported by the prime minister, the person who is emerging as the number two man in the PSL, is Senate Speaker Adam Struzik. Some people even say that Pawlak will propose him as the candidate for president. Others believe that the prime minister can see him as head of the National Self-Governmental Sejm.

If Pawlak decides to run for president or tries to win the approval within the PSL for Struzik's candidacy, internal party conflicts may be considerably aggravated. They may even produce a serious clash with the party's internal opposition at the PSL congress this fall. It seems, however, that Pawlak will try to postpone making a decision and officially supporting a candidate for president. He will do this for one simple reason: The real campaign will not begin for another year. Anything can happen during that time. The coalition may break up or the government may step down. Then there would be no obstacles at all. He could run for president himself.

There was no discussion within the PSL as to whether a candidate would be fielded. This is obvious to everyone—for example, because every campaign advertises a party, galvanizes its members and voters into action. The possibility cannot be ruled out, however, that, if Pawlak does not run, there may be a proposal that for the very same reasons the party should field no other candidate and support a candidate from the PSL-SLD coalition. Still, it is not very likely that such a solution would be accepted by PSL organs.

In the 1991 presidential election, PSL candidate Roman Bartoszcze occupied the second to last position, with 7.15 percent of the vote.

Pawlak Meets With Farmers, Local Leaders

MM0508110794 Bialystok *GAZETA WSPOLCZESNA*
in Polish 1 Aug 94 p 1

[Article by "M": "Self-Government and Money: Meeting With Prime Minister Pawlak"]

[Text] On 29 July, a meeting was held at the Main Hall of Olsztyn's Higher Pedagogical College between farmers and local self-government representatives on the one side and Prime Minister Waldemar Pawlak and Agriculture Minister Andrzej Smietanko on the other. Invitations to attend the meeting were extended to chairmen of local self-government assemblies from eight voivodships in northeast Poland, including Wacław Olszewski, head of the Suwałki Local Self-Government Assembly.

"The Prime Minister encouraged us to develop regional agricultural policies directly in our own parishes," Wacław Olszewski told us. "The experiences and conclusions of parishes should be conveyed via the assemblies to the higher administrative bodies such as the Sejm and the government. Much was said during the meeting

about the need to reinforce the role of self-government assemblies in relation to government and special administration."

Minister Andrzej Smietanko announced that the Food Economy Bank received procurement loans to facilitate the purchase of rye and wheat grain from farmers. Of these, 500 billion zlotys [Z] come from the Agriculture Restructuring and Modernization Agency. All in all, the total loan will amount to Z5 trillion. Voivodship Offices should draw up grain-procurement programs for the State Grain Elevators, detailing precise information on the location of sales points and official prices. The Agriculture Section of the Suwalki Voivodship Office has already drawn up such a program.

Large agricultural farms (of approximately 100 or more hectares) will be eligible to receive 45-percent advance loans to assist with grain storage.

New Privatization Draft Laws Viewed

WS0408094594 Warsaw NOWA EUROPA in Polish
3 Aug 94 p 23

[Article by Zbigniew Kozakiewicz: "Before a Heated Debate: Sorting Out the Economy"]

[Text] In economic circles, opinions are often expressed that legal regulations are not adjusted to the needs of the transformation of the economic system, thus becoming a factor that makes the transformation processes more difficult. Three draft laws—on establishing the post of the treasury ministry, on state-owned enterprises, and on privatization of state-owned enterprises—will be the beginning for sorting out this sphere. They will also introduce clear rules for passing to a market economy.

The planned solutions encompass a very wide range of problems, from the precise specification of powers to represent the State Treasury, from the strengthening of the role of founding organs, through the creation of a new model of a state-owned enterprise, to the verification and specification of the privatization concepts and procedures. Without these solutions, further progress in reforming the economy would be much more difficult. Very uncertain would be, for example, the future of the program of commercialization of state-owned enterprises, which the Sejm considered to be one of the priorities when it adopted the directions of privatization.

To cut a long story short, in line with the program of commercialization of state-owned enterprises, the activity of those enterprises should be based on commercial principles. Due to the fact that it encompasses the entire sphere of the state-owned economic units, regardless of their organizational-legal form or economic situation, mechanical transformation of state-owned enterprises into partnerships is out of the question.

In striving for the rational and effective functioning of enterprises, mistakes made right at the beginning would

have serious consequences. The commercialization program envisions that enterprises will be managed similarly to the way capital partnerships are managed. Thus, there arises a need for new regulations. For enterprises to be able to operate like partnerships, it is also necessary to specify the principles of merging, dividing, and liquidating enterprises or organized portions of them. A separate problem is the issue of managing the wealth after the improvement measures have not yielded the expected result.

Finally, in line with the program, all enterprises will be classified according to the decreasing value of the sale of goods and services in 1993. As a result of a preliminary selection, a list of enterprises will be drawn up where specified measures should be taken, which would be determined by their economic-financial condition. These measures include banking-settlement proceedings, settlement proceedings, and liquidation and bankruptcy proceedings. Next, the enterprises will be divided into those that can undergo transformation and those that can be subjected to privatization.

To implement these plans, new regulations included in the bills mentioned at the beginning were needed.

The proposed solutions aim to finally regulate the problems of ownership and of fulfilling owner's functions. The establishment of the post of the treasury minister, who will take over, among other things, the powers of the privatization minister, will create new principles for representing the State Treasury. Owner's functions will be fulfilled by 10 regional Agencies of the Wealth of the State Treasury and one agency dealing with large enterprises. The management of the wealth by the agencies will lie in the following:

- Executing the rights accruing from the ownership of shares.
- Leasing or renting the wealth.
- Purchasing shares in companies.
- Contributing the wealth to companies and selling the wealth.

In such a situation, organs of the government administration will no longer have the wealth of the State Treasury at its disposal.

Another very important solution is the departure from the self-governmental model of the enterprise in favor of a model that is close to a partnership of a capital type. In place of a self-governmental organ, a supervisory board, assigned by the owner, will appear. Its task will be to exercise constant supervision over the enterprise's activity and to appoint and dismiss the director. It will also ensure that the interest of the State Treasury is protected. Participation of employees in the management of the enterprise will be expressed through the participation of their representatives in the supervisory boards. Along with this, the role of the founding organs will be strengthened. However, they will not be allowed to intervene in the current activity of the enterprise. The

powers of the founding organs in the area of privatization and liquidation of enterprises will be extended.

Among the bills of privatization regulations, which, incidentally, encompass joint decisions found in the pact on enterprise, one should also list an important supplement: Privatization is linked to the restructuring of an enterprise; also, liquidation and bankruptcy proceedings will be carried out differently. Important information for employees is that the right to purchase 20 percent of shares at lower prices is replaced by the right to obtain 10 percent of shares free of charge.

However, today it is still too early to say what the final form of these laws will be. Many remarks concerning the draft laws have been submitted by the Council of Privatization and trade unions, represented in the tripartite commission. We should also expect a heated debate in the Sejm's committees.

[Box, p 23]

Opinion by the Privatization Council in the Office of the Prime Minister (Fragments)

It is with satisfaction that the council has accepted the idea, submitted by the authors of the draft law, that the regulations in the above-listed areas be approached in a complex manner. It should be stated, however, that, at the present stage of the work, this intention has not been fully implemented. Many internal inconsistencies can be found in the draft laws of the legal acts in question. The inconsistencies are of both a technical and a substantive nature (...)

First, particularly in the draft law concerning the State Treasury, the main stress is placed on subordination of the sphere of the state's property, while privatization itself remains of marginal interest. The institutional solutions proposed there are supposed to mainly serve the purpose of introducing a close owner's supervision over enterprises, not implementing the privatization of state-owned enterprises and accelerating this process. According to the council, the proposed legal acts should clearly and strongly underscore the priority of privatization. Especially the law on establishing the post of treasury minister, that is supposed to replace the position of privatization minister, should contain, as one of the most important statutory tasks of this ministry, the following: privatization of the state wealth at such a rate and to such a degree that will make it possible to achieve in the foreseeable future an ownership structure in the economy similar to other European market economies (...)

Apart from clearly specifying the priority of privatization, it is necessary to specify the concrete periods in which the individual institutions of the State Treasury (particularly the proposed Agencies of the State Treasury) should accomplish their missions. The solutions proposed in the present bills might result in the establishment, within these institutions, of new groups of

interest interested in maintaining the status quo and not in changing the ownership status or the number of the enterprises they would supervise. The council agrees with the authors of the draft law that the holding-based solution of the institutions of the State Treasury may be even more dangerous, due to an interest in increasing one's own domain as well as to the danger of corruption and criminal acts (which was very well exemplified by events in Italy). This does not mean, however, that a solution of an administrative nature, presented in the draft law, is to be recommended.

Apart from the danger of petrification of the existing structures by some institutional solutions in the law, the council is critical of the excessive degree of centralization of decisions in the vertical arrangement: the treasury minister—agencies (or founding organs)—enterprises. In the draft law, many powers that are now wielded by employees' councils in enterprises pass on to the founding organ or the agencies or even to the treasury minister. The council is aware of the fact that such ventures as improving the condition or the liquidation of enterprises require many more powers for organs exercising founding supervision than is the case now. The council does not think, however, that it is necessary to go to the other extreme—that is, close supervision on the part of founding organs and intervention in all areas of enterprise activity. Introduction of the proposed concept would mean a return to the central methods of enterprise management by means of direct structures. The years preceding the systemic reforms proved the falseness of these methods (...)

Apart from shifting decisionmaking powers to higher administrative echelons, the establishment of institutions with an unclear status and of a system of unclear material motivations for enterprises may also get in the way of privatization and restructuring. Unfortunately, this is how we should evaluate the mode of taking over state-owned enterprises, first by new founding organs (voivods), then, after two years, by Agencies of the State Treasury, which is proposed in the bills. If we finally accepted the system of the Agencies of the State Treasury, which would first take over the supervision over enterprises and would then privatize (after restructuring or without it) or liquidate them, one can see no reason for introducing an intermediate stage, in which these enterprises would first be taken over by the new founding organs (voivods). This would delay the processes of privatization and restructuring for several years and would result in considerable disorder and vagueness as far as the division of powers among the various state organs is concerned.

It is with satisfaction that the council accepts the concept of the commercialization of enterprises submitted by the Ministry of Privatization. The concept does not merely in formal transformation of enterprises into Treasury-owned joint-stock companies. The new concept is supposed to lead to greater transformations, the purpose of which is to make the way state-owned enterprises are working similar to the way their private

counterparts are operating. However, the question arises whether the proposed solutions will really create the conditions for these transformations, or, on the contrary, result in the renationalization of enterprises by making them dependent on bureaucratic structures. These fears are strengthened by the intention to appoint the employees of the Agencies of the State Treasury to the posts of members of supervisory boards of state-owned enterprises. Such phenomena are being observed in some of the former socialist countries; they do not result in the rationalization of enterprise activities.

A source of concern is also another proposal found in the law: complete departure from the organs of work force representation. Leaving only two work force representatives in supervisory boards and abandoning other possible solutions means completely abandoning the benefits that may be reaped from the peaceful participation of employees, such as employees' councils of various echelons, which do not have any decisionmaking powers and which are found in most European states (...)

The attempt to set the terminology in order and to better specify the various privatization paths in the new bill on privatization deserves to be supported. For example, the authors of the bill tried to specify more precisely than has been thus far the custom, in line with which enterprises may undergo direct privatization (so far liquidation privatization), which may prevent new conflicts in this area, especially because such conflicts took place in many cases in the past. These formulations, however, are not very consistent and have certain defects. Doubts are raised, for example, by the blocking of the possibility of changing companies' ownership structure during the period of paid utilization. This makes it impossible for external investors to purchase their shares or stocks. Practice shows that this often turned out to be beneficial for the development of enterprises, and the necessity of registering all such changes in a court of law makes it possible to exercise proper fiscal control.

The council is in favor of the methods of softening the leasing principles that are proposed in the law, such as the possibility of transferring the property earlier and extending leasing contracts in time. As for the chapter on indirect privatization (so far capital privatization), doubts are raised by the abandoning of the two-year period for the privatization of Treasury companies. It is not enough to argue that, in many concrete privatization cases, it was not possible to complete the process within this time. Lack of any deadline will liquidate a factor that mobilizes people to privatize enterprises.

The council is definitely against the establishment of other extrabudgetary funds that make parliamentary and social control over the spending of public money more difficult; this money certainly includes revenues from privatization. This is also linked to the danger of recreating the redistribution mechanisms among the more efficient enterprises and the less efficient ones.

Summarizing the remarks presented above, the council positively evaluates the intentions of the authors of the

draft laws in question, which aim to sort out the entire sphere of legislation concerning privatization, commercialization of state-owned enterprises, and organization of owner's supervision over the wealth of the State Treasury. The council suggests, however, that, in their final form, these laws to a greater degree take into account the logic of privatization directed to an open market economy.

Deputy Minister Outlines Power Industry Program

MM0408102694 Opole NOWA TRYBUNA OPOLSKA in Polish 25 Jul 94 p 5

[Interview with Industry Deputy Minister Herbert Gabrys by correspondent Lina Szejner; place and date not given]

[Text] [Szejner] Minister, you are the author of the development program for the Polish power industry. Would you describe its basic tenets for us?

[Gabrys] The program took a long time to draw up, but it is now almost ready, and this fall it will be presented before a wider forum. It places the main emphasis on making thermal and electrical energy subject to the free market system.

[Szejner] What does "making it subject to the free market system" mean? After all, energy is a very exceptional type of commodity.

[Gabrys] It means encouraging a situation of competition between energy producers, those who transport energy, and those who deal with its distribution.

[Szejner] How can this be achieved?

[Gabrys] By early spring of next year, at the latest, all of our electricity-generating plants will be restructured as one-person state treasury companies so that this last element of the state electric power system can operate on the basis of the commercial law. The distribution sector is already working according to these principles. So is the "Polskie Sieci" [Polish Networks] company. As you see, it is only the power plants that we still need to bring within the free market system—with the single exception of the Opole Power Plant, which was transformed into a joint-stock company earlier.

[Szejner] The example of many former state enterprises indicates that the fact of being transformed into joint-stock companies has not changed anything for them at all....

[Gabrys] But now we will introduce the new system of long-term and one-year contracts between suppliers and clients. In the case of power plants, these contracts will be negotiated with coal producers. Further contracts will be signed between power plants and the "Polskie Sieci" company, and still further ones between energy distributors and energy consumers.

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[Szejner] What will be the subject of these contracts?

[Gabrys] They will define mutual rights and obligations of each side. In this way, we will create a system of wholesale energy prices that, in the long run, should result in a marked reduction of the end energy prices paid by consumers. This is a model based on solutions applied in the United States, where excellent results are being achieved in this field today. The British also tried to introduce it in their own country, but somehow it did not quite work there. We intend to choose the best solutions from the practical experience of both of these countries.

[Szejner] Will the Opole Power Plant be capable of being competitive in the Polish market in these circumstances?

[Gabrys] Not if it continues to operate as it is doing now. The original investment plan provided for operations based on four power units, later to be extended to six. But, at present, there are only two power units operating there, and even they are not working to their full capacity. The power from the plant is used in the so-called regional network that supplies the area closest to the plant, and so even the two working units are often underused. This is why it is essential that the funds are found as soon as possible to activate the remaining two power units, supply a power line of appropriate rating, and start selling power to Western consumers.

[Szejner] What possibilities would you suggest regarding obtaining funds for that purpose?

[Gabrys] I believe that the money is already there. The only problem is in demonstrating, in rational, economic terms, that it is indeed essential to make such a move. The Opole Power Plant has its own program that indicates where the money is to be found and how it should be used. Of course, we must view all such plans very critically. We believe that the Opole Power Plant's program is rather inflated and overambitious; nevertheless, we regard it as perfectly rational. It should be approved, and the chairman of the Opole Power Plant

should be supported and encouraged in his efforts to implement it. In addition, I believe that I have an ally in Minister Stanislaw Zelichowski. For a while now we have been trying to solve the problems involved in our power sector together, as a team.

[Szejner] Will future electricity and thermal energy prices depend on the distances over which these "commodities" will be transported?

[Gabrys] According to the new energy law, a system of ratings will be put in operation. This means that the closer the power-generating plant, the cheaper the energy. I believe that the differences will range between at least 10 and 20 percent. Those who are situated farther away will pay more. After all, those who are situated close to the power plants have to suffer certain inconvenience because of it, so the differences in power pricing will constitute a form of compensation for them.

[Szejner] Today we produce almost 97 percent of energy from bituminous coal and lignite. Is this a good proportion?

[Gabrys] Poland must seek other energy sources and raw materials. Basing almost all of our energy production on bituminous coal and lignite is quickly becoming a hazardous enterprise. After the year 2000, Europe will begin to restrict not only the emission of nitric oxides and sulphur oxides into the atmosphere, but also that of carbon dioxide. The Dutch have already provided for that situation and are launching certain ventures that will, in the future, reduce carbon dioxide emission.

[Szejner] When you spoke of other raw materials for obtaining energy, you presumably meant oil and petroleum-derived substances. Consequently, how do you view the proposals to build a large petroleum refinery in Kedzierzyn-Kozle?

[Gabrys] I believe that the need to build such a refinery after the year 2000 is beyond question, and also that such a plant is definitely needed here, in southern Poland.

[Szejner] Thank you for talking with us.

Party Leader Assesses Parliamentary Session

AU0408143194 Bucharest DIMINEATA in Romanian
29 Jul 94 p 3

[Interview with Vasile Vacaru, vice president of the Social Democracy Party of Romania, PDSR, and leader of the PDSR Parliamentary Group, by Doina Donciu; place and date not given: "I Stick to the Same Positions as Before"]

[Text] [Donciu] Mr. Senator Vasile Vacaru, we are again at the end of a parliamentary session. As one who has been on the front line of the debates in the upper chamber, how do you assess the results of this session?

[Vacaru] Of course, there are several possible answers to such a question. It all depends on the various angles from which we can assess the results of the current parliamentary session. Therefore, if we strictly refer to the number of draft bills that managed to come out of the legislative "laboratory," then there is no way in which we can be satisfied with the given results. Therefore, we can ascertain that halfway through its mandate, the current Parliament continues to boast an extremely modest rate of passing laws.

We Will Have To Rethink Our Legislative Priorities

Of the 61 draft bills worked out by the government, only 13 were promulgated. When I say this, I am referring to the draft bills envisaged by the Vacaroiu government's strategy for economic and social reform—that is to those draft bills which have an impact on the overall progress of reform—not to international agreements, where the balance sheet is positive. I believe that the Parliament's modest pace in passing laws will soon force us to rethink our legislative priorities, because it is increasingly obvious that we will not succeed in sticking to the legislative timetable which we, as ruling party, suggested at the start of this legislative period.

This would be, so to say, a quantitative approach to viewing the results of the recently concluded parliamentary session. On the other hand, one cannot deny the fact that this session has proved to be extremely busy regarding the importance of the problems discussed. Let us not forget that we managed to pass the memorandum concluded between the Romanian Government and the IMF—a document about whose significance there is no need, I think, to elaborate any further—through the two chambers of Parliament during the current session. In this session, we also adopted the law on agricultural income and the law on the organization of the national radio and television company. The Senate managed to finalize the law on the legal status of the nationalized buildings. All these bills are very important normative documents, not only because they solve key problems, but also because the clashes of interests surrounding them have proved to be extremely intensive. In practical terms, if we add to the aforementioned things the adoption of the state budget for 1994, then we realize that the

ruling party, through its parliamentary groups, has been engaged in a constant battle to impose not only its own legislative policy, but to also speed up the parliamentary process. All this took place while having to face an opposition whose negativist behavior has not changed in any way since the latest parliamentary elections.

[Donciu] An opposition still left in the stage of permanent negation...

[Vacaru] Let me make myself clearly understood. I cannot reproach the opposition that it exists or that it votes against the draft bills proposed by the government of the Social Democracy Party of Romania [PDSR]. After all, the duty of any opposition is, so to speak, to oppose. What I chide the Democratic Convention [CDR] parties and the Democratic Party [PD] for is that they are going through a crisis of growth and maturation. The opposition they are making has remained at the level of heckling and constantly challenging the legitimacy of the ruling party. This tactic seems to me quite unnatural, all the more so as the only source of legitimacy in an authentic democracy is the electorate's vote, and the electorate has had its say at the September 1992 elections. Consequently, it would be more natural for the debates in Parliament to focus not on the legitimacy of the parties, but on the practical law-making problems. This means that the opposition should have counterproposals and its own viewpoints on each individual government project. Unfortunately, Romanian political life is still far from this stage of normalcy. I note with concern that there is even an evolution running contrary to the normal course of events. The opposition is increasingly moving toward radical gestures, such as suing the prime minister, constantly leaving the hall of the Parliament during the debates on certain draft laws, and stupidly requesting the impeachment of President Ion Iliescu. Such gestures can hardly be included in the arsenal of normal political confrontations.

Opposition Strategy Will Backfire

As I have already said during the Parliament debates on the censure motion, I do not believe that we have the right to use serious constitutional instruments, such as the procedure for the president's impeachment, just to prove to our own electorate that we are still alive and active. It also seems to me as bordering on the ridiculous for anyone to claim innocently that one is introducing a censure motion just to "distance" oneself from certain positions. The constitutional meaning of the motion is to censure and bring about the government's fall. Therefore, either one really wants that, or better drop it altogether.

On the same order, I cannot understand at all what the political or legal significance of the withdrawal of parliamentarians from the debates on a draft law might be. I believe that, once a parliamentarian is elected to the supreme legislative forum, he is dutybound to pronounce himself on a law by voting in favor of it, against

it, or even by abstaining. However, lolling about the Parliament's corridors seems to me inadmissible.

I think that this behavior will have a negative impact on the prestige of the opposition, because the time will come when its own electorate is going to wonder how its interests are best represented by elected parliamentarians who systematically refuse to participate in the discussion of certain draft laws. Moreover, there is a strongly destabilizing potential in these actions. When I say this, I am not referring to the positions of the governing party, but to the institutions as such. It is not us who are losing, but the prestige of the institutions. Just take a look at what the public opinion polls have to say about the Parliament's credibility and you will see what I mean. The leaders of the opposition parties do not seem to realize that it is in our common interest to maintain Romania's institutional stability and that, for better or worse, both of us in power and in the opposition belong to the same political class—this term may sound rather pretentious—and that the electorate has been known, on occasion, to be inclined to lump us all together.

[Donciu] Nevertheless, at a certain point this opposition seemed willing to take the step toward a "historic compromise." There was even talk about their participation in the government and the restructuring of the parliamentary majority. Negotiations were conducted along these lines. In spite of all this, toward the end of the parliamentary session, the political struggle has taken a new radical turn. Why did those negotiations fail?

[Vacaru] You see, I believe that there was a basic failing in the thinking of our partners from the opposition camp. They conceived this "historic compromise," which would have been extremely useful for easing the tension in our political life, only under the form of their participation in the government, not under the form a national pact, as we suggested. Even this betrays a certain simplistic approach, in my opinion. The coalition government and the "restructuring of the parliamentary majority" are seen only as simple arithmetic additions of parliamentary percentages, without taking into consideration the economic and social policy options. This is obviously a stupid thing to do. We cannot add up parliamentary percentages with an abacus and then change the majority for the sake of changing. What guarantees can we have that the new majority will function better when the Convention includes a monarchist party and a party which I would call of extremist liberalism? What policy can a government formed on the basis of such a majority make? Such a government would fall at the first more controversial draft law.

Unfortunately, until the opposition's options change, I do not think that there is a viable alternative to the PDSR's current policy of alliances. As a matter of fact, the much claimed "restructuring of the parliamentary majority" hides an extremely interesting pressure attempt by the opposition and an endeavor to come to

power in ways other than the democratic ones. It does not look natural to me that, once the electorate has entrusted the country's fate and the guiding of the reform process to the center-left forces, we, the left, should form another coalition, even though it might be legitimized through an alleged reformism. As a matter of fact, this pressure only aims at removing the PDSR from its allies. This pressure does not come only from the opposition, but also from certain informal groups currently marginalized in the political game, but which would like to regain their positions of power.

We Will Have To Negotiate More With Our Allies

[Donciu] However, there are some voices within the ruling party which complain about a certain incoherence in the strategy of alliances and the fact that the party has often given in too easily to pressures from the Socialist Party of Labor [PSM], the Greater Romania Party [PRM], and the Romanian National Unity Party [PUNR]. Some even claimed that the PDSR is not very well aware of its own interests.

[Vacaru] I can both agree and disagree with these assessments at the same time. On the one hand, as I have often said in the past, I do not believe that there is an alternative to the current policy of alliances. On the other hand, the current system of the parliamentary support for the government will have to be rethought, in keeping with our party's interests. You see, if we closely examine the public opinion polls, we can note that, while the PDSR's image is progressively being eroded by the fact that it is in power, certain allied parties like the PSM or PRM are registering constant increases, albeit small, in popularity. This is happening despite the fact that they have proven their backing of the government and—why not admit it—have their own people in various executive structures, both at central and local level. A paradoxical situation has thus emerged: The costs of governing are borne only by the PDSR, while the benefits, which are natural for any party participating in government, are being shared with the allies, too. Moreover, the lack of a formal system of alliances has exposed our party to a constant blackmail and to endless negotiations and renegotiations at each more important parliamentary moment. This is probably the price we have had to pay to maintain the stability of Nicolae Vacaroiu's cabinet.

I believe that we must rethink this system of alliances. By that, I do not necessarily mean to change it, but rather better to establish the commitments, responsibilities, and benefits of our partners and the maneuvering space within which the various parties belonging to the parliamentary arch can move. We will have to learn to negotiate more even within this alliance and no longer accept [words indistinct] certain demands which, in the last instance, could backfire against the PDSR. The PDSR remains the strongest party in the Romanian political landscape and it will have to try to make better use of this reality.

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[Donciu] Mr. Senator Vasile Vacaru, you were one of the founding members of the Democratic National Salvation Front [FDSN] and the first executive secretary of this party. In other words, you were the "organizational brain" of the party. How do you see today, two years since the FDSN's founding, the evolution of this political structure?

[Vacaru] Of course, the party has grown and matured with the passage of time. Today, its human and even ideological organizational configuration is quite different from what it used to be in 1992. Those times were marked by a certain romanticism, when we tried to put together a competitive political structure under the pressure of the general elections, with extremely precarious material means. The results could be seen in the September 1992 elections. Likewise, one can better see today that our gesture at that time of distancing ourselves from Mr. Petre Roman's grouping was not motivated—as some people thought and are still trying to insinuate today—by an attempt to preserve certain privileges of the parliamentarians. The parting with Petre Roman was mainly justified by the basic difference in the political projects of the then competing groups. Let alone the totally inelegant manner in which the National Salvation Front [FSN] of those days treated its founding president. There is no point in my commenting on Mr. Roman's current position. In the meantime, the true nature of his endeavors has become quite obvious, since they had nothing to do with the values of social democracy, despite the PD's desperate efforts to acquire legitimacy through certain contacts with the European socialist parties.

The Party Is Still Far From What It Should Be

Returning to your question, I believe that the party is still far from what it should be. In a way, we repeated the mistake of the initial FSN. Being too concerned with current problems, the economic and social administration, and the parliamentary struggle and pressures, we did not pay enough attention to consolidating this political instrument, which is the party. There is still a certain voluntarism manifest in its activity and too much of a fireman's mentality, so to say. The PDSR's organizational capacity is much under the expectations of its electorate. The capacity of political mobilization and of institutionalizing the political participation of our members and sympathizers is also pretty limited. This is something that should worry us, since the opposition's movements can very easily lead to early elections. We have to ask ourselves whether such a political situation will find us prepared for it.

Our main goal for the current year should be to strengthen the party by making its activity more professional. An important role in this respect is paid by the selection of party cadres. We can no longer grant positions to certain individuals just because they are faithful to the PDSR or to one or another of its dignitaries. The criterion of faithfulness, which is indispensable to any

party activity, must harmoniously blend with the criterion of competence. I am worried over certain disputes going on in various local organizations, where the party militants fight each other because they do not have much to do in their political activity. It looks as if we have forgotten that we must be a party of the incorruptibles. Such disputes are symptomatic of a certain state of internal crisis and indicate a weakening of the party's cohesion.

There is also a certain deficit of concepts which we must fill. If we want to grow in the eyes of the electorate on the left and if we want to become, in the long run, the great party of the Romanian democratic left, we must show that we have a coherent concept and that we know how we want to turn Romanian society into a true social democracy. To put it more precisely, we must prove that we have a social-democratic strategy for the transition. I hope that the forthcoming national conference, where we are going to discuss and modify the party's program, will bring certain clarifications in this respect.

[Donciu] It may seem strange that it is you, of all people, who talks about the party's cohesion; after all, you have often been accused in the press of "conservatism," of resistance to change, and of more or less orthodox maneuvers against various party figures.

[Vacaru] All this is silly, it is nothing but allegations deliberately aired by a part of the press, which is obviously not on our side. Some said that I am conservative and that I had something to do with Mr. Nastase's [Adrian Nastase, PDSR executive president] four houses. I ignored these accusations, although they could have hurt my image among the party members. I would like everybody to understand one thing: Beyond the position I hold, I have no further political ambitions. What else should I strive for? To become the party's president? Or the country's president? That is ridiculous. It is not only that my age does not permit it and that I feel tired after four years of activity. But then, I also believe that each politician has a limit of growth, beyond which he is inevitably bound to look ridiculous. It would be naive of me not to know my own limit of growth. Therefore, regarding the presidency, I have very clearly said—in an interview I gave a few months ago—that the future mandate also belongs to Mr. Ion Iliescu. I continue to firmly believe in this.

Who Does Not Want To Be Labeled a Reformer?

Aside from all these purely personal considerations, I would like to point out that this matter of conservatives and reformers belongs to an interesting play of images, an ably directed game aimed at weakening the party's cohesion. It is a pity that some of our militants allowed themselves to be dragged into this game. You see, these labels are so conceived as to make a strong psychological impact. It is very appealing to be labeled a reformer; you are, so to speak, a man of progress, an open minded, modern, European man, and so forth. Who would not want that? In the public perception, the "conservative"

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man is a bad, disagreeable, and retrograde guy, incapable of understanding the imperatives of modernization... This play of images is extremely perverse, because it aims at introducing artificial tensions into a body which, until now, has behaved in a unitary way. The purely propagandistic character of this play emerges the moment you try to engage someone in a serious discussion on this subject. What does reformism and conservatism mean? I can be a reformer, but my project for Romanian society's change is radically different from that of Mr. Petre Roman's. I do not believe that there is a single model of reform, a model validated by the social practice and which we must obediently follow. Beyond the great problems of democracy, market economy, and human rights, our view of reform belongs to the sphere of political options.

As a matter of fact, I believe that we are dealing here with a strong throwback to totalitarian thinking. The attempt to divide the political spectrum and even society into two almost irreconcilable camps—the supposed reformers and the supposed conservatives—betrays a Manichaeistic [ancient Persian dualist religion] way of thinking specific to totalitarianism. The claim of those boasting of reformism to be the only holders of the secrets of the changing process does not differ in any way from the claim of the Bolshevik Party to have been the vanguard leading the working class toward socialism. In my opinion, this way of thinking is deeply noxious: Sticking labels prevents any necessary debate on the ways of the reform.

There Are No Factions in the Party

[Donciu] Let us come back to party issues. Do you think that there are several "groupings" in your party along this dividing line—which keeps being brought up in the press—between reformers and conservatives?

[Vacaru] I sincerely regret the fact that those who write about the PDSR, with pretenses of analysis, do not know the real inner life of this party. On the other hand, certain journalists do not even master the rudiments of political science, which would allow them to formulate a pertinent opinion on the matter. For instance, not long ago I read an article about the PDSR in *SFERA POLITICII* [THE SPHERE OF POLITICS], therefore in a magazine with big pretenses. I almost burst out laughing. They were writing there about the existence of three factions in the party: one belonging to Mr. Nastase, one to Mr. Gherman [Oliviu Gherman, PDSR president], and another one led by me and Mr. Solcanu [PDSR vice president]. However, the publication did not specify who belongs to these factions, what their platform is, and what kind of backing they enjoy within the party, something which proves that the respective "analyst" still needs to do a lot of reading in the sphere of the

sociology of political parties. A faction is something institutionalized, it has acknowledged leaders and its own platform. In our country, the Democratic Union of Hungarians in Romania [UDMR] has factions. The PDSR has not yet reached that stage of evolution. I would like to be told who belongs to the "reformist" faction.

Of course, in any big party—after all, the PDSR is a big party, unlike the tiny grouping with party pretenses hiding under the PD initials—there are various orientations and trends. However, they are not all that clear and stable and it is very hard to judge their scope at the party's basis. But these orientations do not amount to a clash between "conservatives" and "reformers." I would rather say that these orientations emerge as a function of one or another concrete problem that the party and government has to solve. That is why such trends do not last long enough to institutionalize themselves into factions.

The attempts to give credence to the idea of a divided PDSR which is on the point of breaking apart are part of the same play of images I mentioned before. I do not believe that the party will fall apart, because there are no fundamental differences of political views within it. I sincerely regret that the opposition, instead of trying to grow up, counts on the PDSR's collapse in order to come to power.

[Donciu] What do you expect from the party's national conference?

[Vacaru] I have already said it: I believe there is a need not only for an organizational consolidation, but also for an ideological consolidation. We must show that we have a social-democratic project for Romania in the 21st century. Of course, all kinds of pressures may arise in connection with the changes in our party program. Some people may try to push the party further to the left, others may wish to instill a more "center" line in its activity. I believe that we must consolidate the positions gained on the political scale and to aim, as a long-term strategy, to win over the entire center-left electorate, leaving only the marginal zone of the extreme for the PSM.

I believe it is important for us to resume the direct contact with the people, because the party structures are growing more autonomous, in accordance with their support at the basis. The meetings we are organizing in the counties can be extremely useful in this respect, provided that we do not limit them to contacts with the 40 or 50 "clients" of the various prefect's offices. The PDSR cannot evolve toward the condition of a party of "notables," since that would mean its departure from the typical structure of a social-democratic grouping.

[Donciu] Thank you, Mr. Senator.

Bosnian Serbs Reply to Serb Government Letter

LD0408144794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1202 GMT 4 Aug 94

["Text of Response Carried by the Bosnian Serb News Agency SRNA"—TANJUG headline]

[Excerpts] *The Srpska republic people's assembly last night sent a letter to the government of the Republic of Serbia in response to its letter of 2 August this year. SRNA carries the letter in its entirety.*

"We cannot say that your letter cheered us. On the contrary, it offended and saddened us. We pray to God that it does not result in any consequences, so that it can fade from the memory and history of the Serbian people because not even stepmothers, let alone true mothers, write such letters. [passage omitted]

"And now, gentlemen, let us tell you what is not true in your letter.

"It is not true that 'the other side' will hold talks on changes to the map; we asked them that.

"It is not true that someone has given valid guarantees for 'the integrity and sovereignty' of the Srpska republic.

"It clearly stems from the ministers' communique that the plan should ensure that Bosnia-Herzegovina is one state, and 'a Serb entity' would exist within that state.

"It is not true that our negotiating team is working at its own whim and that our people do not know the real truth. Accept immediately unification with us and with Serb Krajina and you will see that our leadership will step down and hand over power to you.

"Your rebuttal of our referendum is tendentious. According to a census, three-fourths of our population live in our republic. Otherwise it would prove impossible to create and defend our state. The kitchens of our women in Dobrinja, Grbavica, and Nedjarici are constantly exposed to shooting, but these women will not leave their land. In other places kitchens are exposed to shelling. These women have the moral right to voice their opinion in a referendum. The right of those women who have lost their sons and husbands is even greater.

"It is not true that we shall take decisions on Yugoslavia. We can fully accept that Yugoslavia should untie its destiny from ours to save itself, as it saved itself by renewing the federal agreement, by which we were left outside our state.

"We understand that you are unable, are not allowed or are unwilling to support us further, but we cannot understand the tone of your letter.

"As regards your statement on our 'greatest treason,' let history and future historical events show who the traitors are.

"Esteemed government ministers, by accepting this plan we would for the first time accept the Independent State

of Bosnia-Herzegovina, grant it legitimacy, and give up our own state. This would represent an end to the state of the republic of Serb Krajina.

"This would also represent the end of the peace of mind for the Serbs in Serbia.

"Otherwise, would not the Contact Group have drawn up a better plan?" the letter asks in conclusion.

Krajisnik Warns Serbia To Rethink Stance

AU0508124994 Belgrade BORBA in Serbo-Croatian 5 Aug 94 p 5

[FONET-attributed report: "Think Again"]

[Text] Belgrade, (FONET)—Momcilo Krajisnik, chairman of the Srpska republic assembly, stated yesterday that the decision by the FRY Government on the severance of relations with the Srpska republic "is not good. It is a cardinal mistake in the relations among the Serbian people, which will contribute to the further division among the Serbian people."

In his interview for Radio B 92, Krajisnik stressed that this decision "is completely in agreement with the concept of the international powers to create discord among the Serbs, and to make it easier to force the divided Serbs to accept a completely unacceptable plan."

"Everyone will be held accountable by history for their moves. We will try to avoid a rift, and I hope that this is just the result of temporary anger by Mr. Milosevic and the Serbian and Yugoslav leadership, that they will find enough strength not to blame the Srpska republic for not being able at the moment to accept something that would prove totally lethal for the Serbs in the Srpska republic," Krajisnik said.

"It is not good, it is not fair to demand from us to hand over a state to the Muslims and the Croats," he added, saying:

"We would lose everything that marks our state, and we would also have to accept the authorities of the factual quasi-state of Bosnia-Herzegovina, and all that voluntarily."

"I know, we are fully aware of all the difficulties and hardships that loom over our people. We will not hold it against Serbia and Montenegro if they disavow us. However, we will never disavow Serbia and Montenegro, and we will never breed antagonism among our people toward Serbia and Montenegro. For us it is still a sacred land, and our desire remains to unite the Serbian people one day," Krajisnik said.

"I must say that no one has the right to blame us for wanting to unite."

"I believe that all these measures that have been undertaken, if they were undertaken in anger, I can understand them. However, if they have been undertaken to definitely divide the Serbian nation, I believe that they are damaging, and I would ask, I would suggest to those who have undertaken them to think again—it is never too late to abolish them."

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"If they continue with these measures, it will be fatal for all of us. I believe that no one can be pardoned by history," Krajisnik said.

"Our opinion and our affinity both toward President Milosevic and the Serbian people have not changed a bit. We only want to defend ourselves, to be understood by people who are now angry with us."

"If these measures continue, they will be fatal for the Serbian people in the Srpska republic, and even in the republic of Serbian Krajina. I think that great damage will be caused. It is even possible that we will have major losses in the military field."

"In any case it is up to those who have undertaken these measures to decide. If they want to disavow us, they stand a chance; if they want to do us harm, they stand a chance; and if they do not want to be held accountable by history, and understand us, they stand a chance."

"Everything is in the hands of those forces that are today undertaking these measures against the Srpska republic and our leadership," Krajisnik said.

"If the leadership of the Srpska republic is the problem, I can say publicly right now for myself and—I am sure—for my friends, we will all resign immediately. Let other Serbs come who will lead this nation, and perhaps sign this plan."

"If an adequate leadership cannot be found for the Srpska republic, we will accept the unification of the Srpska republic with Yugoslavia, with Serbia and Montenegro, and then the new leadership, the new country can freely sign this plan, and accept the borders that it thinks are acceptable."

Srpska Vice President Refused Entry to FRY

AU0408152994 Paris AFP in English 1513 GMT 4 Aug 94

[Excerpt] Belgrade, Aug 4 (AFP)—Bosnian Serb Vice President Biljana Plavsic became the first senior official to be refused entry into the rump Yugoslavia Thursday, after Belgrade earlier severed economic and political ties to punish Serb rejection of an international peace plan.

Plavsic was turned back at Zvornik on Bosnia's border with the rump Yugoslavia (Serbia and Montenegro), journalists said who witnessed the incident.

However, observers expressed scepticism over the move, saying it remained to be seen whether Belgrade was serious about closing its border with areas held by Bosnian Serbs. Plavsic was turned back from Serbia in May 1993 when Belgrade said it was cracking down on the Bosnian Serbs, but a declared embargo was not enforced.

Earlier the Belgrade government, announcing it was cutting off ties with the Pale authorities, said in a communique that "by rejecting peace, the leadership of the (self-proclaimed) Srpska republic has perpetrated a

most serious act against the Yugoslav Federal Republic, against the Serbian and Montenegro people and all the citizens living under these latitudes."

The move was the strongest reaction so far to a decision by the Bosnian Serb "parliament" to reject the peace plan proposed by the international contact group—Britain, France, Germany, Russia, and the United States—and instead submit it to a referendum later this month. [passage omitted]

Phone Links Between Belgrade, Pale Cut

AU0508120794 Paris AFP in English 1137 GMT 5 Aug 94

[Text] Belgrade, Aug 5 (AFP)—Phone links between Belgrade and Pale, the self-declared Bosnian Serb capital on the eastern outskirts of Sarajevo, have been cut, a spokesman for the telephone company said Friday [5 August].

A telephone company spokesman here said links were cut at 11 p.m. (2100 GMT), though he did not say whether this was because of a technical problem or whether this was part of the political measures taken by Belgrade in severing relations with Pale.

The government of rump Yugoslavia—Serbia and Montenegro—Thursday said it was breaking off economic and political ties with the Bosnian Serb leadership because of its refusal to accept the international peace plan for Bosnia.

Border crossings over the Drina River were to close to commercial traffic Friday at midday, the BORBA newspaper said.

A bus linking Belgrade to Pale was cancelled Friday morning, according to a Pale resident and would-be passenger.

Belgrade has formally notified the UN Security Council of its decision to seal its 485-kilometer (330-mile) border with the self-proclaimed Srpska republic of Bosnia to all exports except food, medicine and clothes.

But there was scepticism over whether Belgrade would actually follow through.

Diplomats said that there was no request to deploy observers along the Serbian-Bosnian border to ensure that Belgrade had in fact cut off supplies to the Bosnian Serbs.

The break was a potentially devastating blow to the Bosnian Serbs who have depended upon the Yugoslav republic for fuel, clothes and supplies during the 28-month-old war with the Moslems and Croats.

UN Official Confirms Weapon Seizure by Serbs

AU0508105094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 5 Aug 94

[Text] We have just received the news that the chetniks have seized one tank and other heavy weapons from the

points under UN control, thus violating the NATO mandate on the Sarajevo exclusion zone. This has been stated by a UN official. The official, who wanted to remain anonymous, but who is in charge of public relations, said that the Serbian soldiers had seized one tank and other weapons, and one gun from the UN collection point in Ilidza. The UN officers held an urgent meeting. Spokesman Mayor Rob Annink refused to reveal any information. However, when asked what was going on in his office, he [word indistinct].

The Bosnian liaison officer confirmed that one tank, two transport vehicles, and one antiaircraft gun were seized. This official said that the weapons were seized at 0330.

UNPROFOR Threatens To Recover Weapons

AU0508121194 Paris AFP in English 1158 GMT 5 Aug 94

[Text] Sarajevo, Aug 5 (AFP)—The UN Protection Force (UNPROFOR) threatened Friday [5 August] to use all means necessary to recover impounded heavy weapons seized by the Bosnian Serbs overnight on the outskirts of Sarajevo.

UNPROFOR spokesman commander Rob Annink said the United Nations had demanded, in a telephone call to the commander of the Bosnian Serb army, the return of the arms "as quickly as possible" and that "all means available" would be taken to this end.

Serbs Hit French Helicopter During Weapon Search

AU0508124294 Paris AFP in English 1226 GMT 5 Aug 94

[Excerpts] Sarajevo, Aug 5 (AFP)—The UN Protection Force warned Bosnian Serbs on Friday [5 August] that it would use all available means, including airstrikes, to recover heavy weapons seized from a UN collection point overnight.

A French helicopter sent out to search for the weapons was hit by Serb fire while a French UNPROFOR patrol was stopped on the ground by a Serb barrage.

"The situation is real tense," said UNPROFOR spokesman Major Rob Annink. [passage omitted]

A T-55 tank, two M-80 armoured vehicles and a battery of anti-air guns were taken at around 3:50 a.m. (0150 GMT) from the weapons' collection point at Ilidza, north [direction as received] of Sarajevo, guarded by about 30 Ukrainian UNPROFOR soldiers.

Annink did not say how the Serbs had managed to drive the vehicles out.

Annink said NATO planes, which provide air cover for UNPROFOR operations, had not been asked to intervene yet and he hoped the Bosnian Serbs would return the weapons.

Meanwhile, the humanitarian airbridge into Sarajevo which had reopened Friday morning after being interrupted for two weeks was suspended again after three planes had landed.

A spokesman for the UN refugee organisation, Peter Kessler, said the airbridge would open again as soon as the level of tension in the Bosnian capital had fallen again. [passage omitted]

UN Suspends Airlift After Weapon Seizure

AU0508104994 Paris AFP in English 1030 GMT 5 Aug 94

[Text] Geneva, Aug 5 (AFP)—The humanitarian airlift to Sarajevo was suspended for "security reasons" only hours after it resumed following a two-week suspension triggered by sniper attacks on UN planes by Bosnian Serbs, a UN spokesman here said.

United Nations High Commissioner for Refugees spokesman Ron Redmond said the decision was made after Bosnian Serbs seized heavy weapons which had been impounded by the United Nations on the outskirts of Sarajevo.

Pecigrad 'Liberated,' Government Forces Advance

LD0408215994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 4 Aug 94

[Text] The 4th Brigade of the so-called Kladusa National Defense ceased to exist this afternoon, and the area of Pecigrad has been liberated.

Members of the 5th Corps have disarmed several hundred members of this rebel army and seized huge quantities of ammunition, arms, and other equipment. A public security station and local bodies of authority have already been set up in this Cazin municipality, and life is slowly returning to normal.

Thousands of joyous citizens of Cazin and Bihac this evening welcomed the heroes of the 5th Corps who are liberating the area toward Velika Kladusa where, according to available information, chaos reigns.

Close to 2,000 war-mongers from Fikret Abdic's headquarters and their family members have fled abroad, fearing reprisals for what they had done to the people.

This afternoon the private Radio Velkaton stopped broadcasting its program because, they said, of a faulty transmitter.

In spite of constant shelling, it is easier to breathe in Cazin, Buzim, and Bihac this evening. Many people are in the streets to welcome the 5th Corps' heroes who are speedily crushing the Velika Kladusa parastate and its self-proclaimed leader.

Let us add that this afternoon Karadzic's chetniks continued to shell the defense lines on the Grmusa-Srbijani plateau and in the Bosanska Krupa and [name indistinct] sector of the front, as well as the vicinity of Cazin and Bihac, while Martić's chetniks were trying to save face for their vassal Fikret Abdic.

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Krajina President Urges Unity Among Serbs

LD0408140894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1110 GMT 4 Aug 94

[Text] Plitvice, 4 Aug (TANJUG)—I propose that the leaderships of the Srpska republic, the Republic of Serbia—that is, Yugoslavia—and the republic of Serb Krajina should meet as soon as possible and draw up our joint aims, because only united can we find a way out of this situation, Milan Martić, president of the republic of Serb Krajina, told the Iskra news agency.

He stressed that the enemies of the Serbian people have not succeeded with their various pressures, and are now playing their last trump card—creating a rift among the Serbs.

"The republic of Serb Krajina ought to be a factor encouraging the appeasement of the situation. The current events and some misunderstandings ought to be ironed out as soon as possible," Martić stressed adding that he cared much more for the unity of the Serb lands than for any offer coming from the international community.

Commenting on a decision adopted by the Srpska republic assembly last night, he said that it contained an initiative calling on the republic of Serb Krajina to support the all-Serb unification.

"The unification of all the Serbian lands is a part of our political program, and the assembly of the republic of Serb Krajina will give its opinion on it."

Asked about possible consequences of the Srpska republic assembly decision for the position of the republic of Serb Krajina, President Martić said that he saw no reason for any negative consequences on Krajina from any side.

Unification 'Initiative' Adopted

LD0408154394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1418 GMT 4 Aug 94

[Excerpts] Plitvice, 4 August (TANJUG)—The republic of Serb Krajina [RSK] assembly, at its third extraordinary session, accepted the proposal of the Srpska republic assembly to present a joint initiative, for the unification of all Serbian lands, to the Serbian and Montenegrin assemblies.

The deputies in the Krajina Assembly appointed a delegation which will visit the parliaments of the Srpska republic, Serbia and Montenegro in order to implement this initiative. In addition to the assembly president, Branko Vojnica, the delegation will comprise two vice presidents and the heads of the clubs of deputies.

With two abstentions, the deputies voted in favor of the Srpska republic assembly decision on the contact group's proposal and gave their support to the RSK state bodies to go ahead with the implementation of the unification project. [passage omitted]

The RSK assembly session will be resume later today with discussions on the army and the security situation in the republic.

Granic Links Peace to Integration of UN Areas

LD0408155994 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 4 Aug 94

[Text] Mate Granic, deputy prime minister and minister of foreign affairs, is paying a visit to the county of Split and Dalmatia, and the city of Split, where he is holding talks with his hosts on numerous topics, such as development plans and accommodation for refugees; he has also informed them that Croatia will be members of the Council of Europe, the IMF and EU organizations by the end of the year.

Croatia will resolutely urge the change of the UNPROFOR [UN Protection Forces] mandate and the reintegration of all UN protected areas, Minister Granic said in a statement for Croatian Radio regarding Croatia's international position and the decision adopted by the self-styled Bosnian Serb Assembly last night. Minister Granic said:

[Begin Granic recording] It should be stressed that the international position of Croatia has considerably strengthened since the signing of the Washington agreement; we will be very tough in negotiations on the future mandate for UNPROFOR, which means that we are ready for negotiations on the process of reintegration, but in every case we are not ready to accept the continuation of the current state of affairs.

In this respect we enjoy significant support from international factors, but on the other hand there are some worrying facts, such as the visit by Russian Defense Minister Grachev to Sector East [Krajina] without the knowledge of the Croatian Government, or the current actions by the Russian Federation within the UN Security Council.

As you know very well, the Bosnian Serbs last night rejected acceptance of the contact group plan; they called for a referendum, and only after holding one will they give a final reply. The interpretation of the Bosnian federation will be that this amounts to a no; this will also be the interpretation of the Croatian Government. We hope that the contact group, particularly the United States, Britain, and France, will interpret it in the same way.

At the moment the Russian Federation is investing efforts to gain time for a resolution on the tightening of the sanctions against Belgrade not to be adopted. A discussion on the resolution is to take place this week and the resolution is likely to be adopted next week. There are some indications that there are desires to suspend the relation between the sanctions and the situation in UN Protected Areas—we will energetically reject this.

This means that, as far as we are concerned, there is no solution, there is no final peace, without the final reintegration of the UN Protected Areas into Croatia's legal system.

FRY Sanctions Violations Reported

AU0308141994 Skopje MILS-NEWS in English 3 Aug 94

[Unattributed report: "Macedonian-Serbian Border To Be Closed!"]

[Excerpts] EU's [European Union] mediator for Bosnia, Lord Owen, asked for air strikes against Bosnian Serbs and complete blockade of the Serbian territory. In his confidential letter to EU's foreign ministers, published by the German news agency DPA, he recommends closure of the Serbian border with Macedonia [The Former Yugoslav Republic of Macedonia], in order to put stronger pressure on President Slobodan Milosevic. "We have the power to do so," Lord Owen said in his letter.

Only last week, by the way, 1,018 trucks and 148 trains carrying necessary goods crossed the Macedonian border and entered Serbia, while 1,173 trucks and 351 trains came into Macedonia from Serbia. [passage omitted] Macedonia is already greatly damaged by the Greek blockade, but compensates for it largely by trading with Serbia (violating UN sanctions) in its attempts to avoid economic catastrophe. [passage omitted]

President Gligorov Leaves on U.S. Visit

LD0408125894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1126 GMT 4 Aug 94

[Text] Skopje, 4 Aug (TANJUG)—Macedonian [The Former Yugoslav Republic of Macedonia] President

Kiro Gligorov left Skopje today on a several day working visit to the United States at the invitation of the U.S. Law Association, it was stated in Skopje today.

At an annual assembly of this association which is to be held in New Orleans he will be presented with an award which, as an explanation says, has been awarded to him for the contribution to the democratization of the state and introduction of the rule of law.

In the course of his visit to the United States Gligorov is to have a number of meetings with leading figures from the U.S. business and public life.

Turkish Assembly Delegation Arrives on Visit

LD0408180094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1510 GMT 4 Aug 94

[Excerpt] Skopje, 4 Aug (TANJUG)—A delegation of the Great National Assembly of Turkey, headed by President Husamettin Cindoruk, arrived today on an official several-day return visit to Macedonia [The Former Yugoslav Republic of Macedonia].

In the course of its stay, the Turkish parliamentary delegation will hold talks with parliament chairman Stojan Andov, Prime Minister Branko Crvenkovski, and Foreign Minister Stevo Crvenkovski. [passage omitted]

IMF Assesses Economic Situation Favorably

AU0308170194 Ljubljana Radio Slovenia Network in
Slovene 1330 GMT 3 Aug 94

[Text] In an interview for our radio station, the governor of the Bank of Slovenia, Dr. France Arhar, said that the Board of IMF Executive Directors at its Monday session assessed the economic situation in our country favorably. The assessment was based on a report by the IMF mission that visited our country in May. The Monday meeting was also an opportunity for the IMF management to become acquainted with the recently passed amendments to the Constitutional Law with which Slovenia protected its financial interests in the world. National Bank Governor Dr. France Arhar says:

[Begin Arhar recording] The Board of IMF Directors supported Slovenia's efforts, which are based on this institution's concept of the division of debt. As an example, the IMF quoted the case of the Paris Club, which has already adopted this concept and called on both sides, that is, the creditors and the debtors, to continue negotiations and seek solutions in this direction.

For the time being, we are receiving verbal assessments and information from various parts of the world, primarily from Europe and North America, and their common denominator is that this action was anticipated and was actually aimed at defending Slovene national interests, searching fairly for a solution to the former Yugoslavia, and of course, strengthening the position of Slovenia and the creditors.

In other words, because the international financial community is familiar with such solutions from other cases, it did not find it difficult to understand the steps taken by the Slovene Parliament last week. [end recording]

The Nova Ljubljanska Banka stock holding company has informed 1,280 foreign banks of its status change. The initial sparse reactions—more detailed information about the bank is to be announced next week—are positive. It is precisely the unresolved issue of the succession, that is, the Slovene share in the unallocated debt of the former Yugoslavia, to which the IMF mission drew attention in one of the points of its report. Until this question is resolved, Slovenia, according to Governor Arhar, cannot afford the luxury of changes in the

exchange rate. According to him, it was the U.S. representative on the Board of Executive Directors who proposed the transition to a fixed rate at the Monday session.

The basic advice of the IMF to Slovenia is to abandon the indexing of salaries, which would help reduce the inflation in the privatization process that has not yet been completed, to secure stable economic circumstances. These are, beside the already sufficient foreign currency reserves, the basic condition for the proclamation of the full convertibility of the Slovene tolar, for which, in the opinion of the IMF mission, there are de facto no longer any obstacles.

Statistics Institute Issues 1993 GDP Figures

AU0208155894 Ljubljana Radio Slovenia Network in
Slovene 1330 GMT 2 Aug 94

[Text] According to the preliminary report of the Statistics Institute, last year's GDP calculated on the basis of price movements amounted to 1.435 trillion Slovene tolar, which is 42 percent more than in 1992. Such a nominal increase is primarily due to the slow increase of costs in production.

In the added value broken down according to activities, it was the service industry, that is, the so-called tertiary activity, which involves trade, traffic, the catering industry, financial services, education, and health, that gained the most last year. In comparison to 1992, its share increased by 2.2 percentage points, while the share of the primary activity, which comprises agriculture, forestry, fishing, and mining, fell by 1.2 percentage points. The added value share of the secondary activity, that is, the construction and processing industries and the supply of gas, electricity, and water fell, too, by 1.3 percentage points.

The changes in the composition of the added value manifest themselves in the employment trends, too. In the primary and the secondary activity, employment decreased and in the service industry it increased.

The expression of the GDP in foreign currency shows a nominal increase for the first time since 1990. According to the Statistics Institute preliminary report, the value of the GDP per inhabitant amounted to \$6,366 last year and to \$6,195 in 1992.

Federal

Some Phone Lines to Bosnia Out Due to 'Fault'

LD0508120994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1128 GMT 5 Aug 94

[Text] Belgrade, 5 Aug (TANJUG)—A certain number of telephone links from the Federal Republic of Yugoslavia [FRY] to the Srpska republic are not operational today because of a fault, TANJUG has learned from the PTT Srbija [Serbian Post Office] public enterprise.

Specialist teams from PTT Srbija are trying to repair the lines as soon as possible, but for the moment it is not known when this work will be finished.

According to a survey by TANJUG's technical experts, a large number of telephone lines from the FRY which serve customers in the Srpska republic were functioning normally this morning.

Lilic: FRY's Policy on Bosnia 'Consistent'

LD0408164694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1355 GMT 4 Aug 94

[Text] Belgrade, 4 Aug (TANJUG)—Zoran Lilic, president of the Federal Republic of Yugoslavia, told TANJUG today that the people in the Srpska republic knew very well that the Federal Republic of Yugoslavia pursues a consistent policy which, right from the outset of the conflict on the territory of former Yugoslavia, particularly in Bosnia-Herzegovina, has rested on the same unchanged principles.

All this time, by establishing comprehensive relations on both sides of the Drina River, we have established and maintained the unity of our information network. Thanks to this, people were able to be informed about the fact that our policy is a policy of peace, one of actively and with sacrifice advocating the finding a solution to all conflicts through political means and negotiations, Lilic said.

By the will of the leadership of the Srpska republic its citizens have been denied the right to be informed about the stands of the most responsible people in the Republic of Serbia, the Republic of Montenegro, and the Federal Republic of Yugoslavia regarding the most crucial decision for all of us. As it is crucial for all of us, we have to adopt it together, Lilic said.

The citizens of the Federal Republic of Yugoslavia have the right to do that because of their selfless support throughout the just struggle of the Serb nation for its freedom and equality in a war which was imposed on it, because if the great sacrifices they made for the achievement of these objective, because of their full solidarity and help, both for the people that defended their right to self-determination and for hundreds of thousands of refugees who found shelter among us, Lilic said.

Both republican leaderships and the federal leadership are consistently unanimous in the conviction that peace can only be achieved if all three sides to the conflict are treated as equals, if their vital interests are equally respected, and if we accept any agreement reached between the three sides themselves, without imposing our opinions or will.

It is our duty to help the people survive and to work determinedly and firmly for these sacred principles in our international contacts. It is precisely for this determination and principled stand that Yugoslavia has been punished with unprecedented UN sanctions, Lilic said.

Last night's decision in Pale has made a mockery of our trust; our solidarity has been trampled underfoot; our sacrifices have been obliterated by a stroke of the pen that signed the decision calling for the referendum, and the entire Yugoslav nation and Serbian people have been pushed into quarantine, the FRY president stressed.

I have literally been pointing out for months, in all my public speeches, in my address on the occasion of the anniversary of my being in office, in my speeches to Yugoslav Army representatives, to great economic collectives, to the trade unions, that nobody has the right to make decisions on the exhaustion of the FRY on behalf of its own people, Lilic recalled.

My position as FRY president obliges me to warn that the strategy of dragging Serbia and Yugoslavia into the war is doomed to failure, and to make it known to those whose time has come that they must decide to end the war and courageously and morally opt for peace, that millions of FRY citizens cannot be taken hostage by any leader, neither from the territory of the FRY, nor from the Srpska republic, nor the republic of Serb Krajina, Lilic added.

I have been telling them that nobody can accord them this right, that the war has to come to an end, and that our policy of peace has no alternative, as well as that people must stop dying in vain. The Serb people in the Srpska republic cannot be held hostage even by their own leadership.

Our people sincerely favor peace, so I am rightly expecting the peace talks to be successful, which is why nobody can agree to a policy of endless procrastination and sabotage, whichever side it should come from, Lilic underlined.

These warnings are being voiced because the international community has finally begun to send clear signals that it is determined to end the war. Our assessment is that the peace plan is an honorable compromise and that its greatest value lies in the establishment of peace and an end to the senseless destruction and killing.

We will continue, as we have been doing up to now, to respect the will of the people of the Srpska republic. It is up to them to decide whether they will have a state of their own, create a union with the other two nations, or

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enter into a confederation with the FRY—a possibility provided for by our constitutional declaration, Lilic said.

What we cannot respect or accept is the arbitrariness of the Srpska republic leadership, which wishes to push 11 million Yugoslavs into an abyss for reasons known only to them, the FRY president added.

We will remain consistent and resolute in our policies in this matter, as we have been so far, Lilic concluded.

Jovanovic Views Serb Rejection of Accord

LD0408182194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1723 GMT 4 Aug 94

[Text] Novi Sad, 4 Aug (TANJUG)—Vladislav Jovanovic, foreign minister of the Federal Republic of Yugoslavia [FRY], told Novi Sad television this evening that what a Bosnian Serb Yes might have brought is not, as seemed at first glance, an end to all hopes and expectations and "even some kind of suicide."

According to Jovanovic, this Yes could only mean an end to the war and an end to the risky stage of the crisis that could result in the loss of everything, and not only to the achievement of maximum objectives.

Therefore, this Yes represents the preservation of the minimal results produced by the liberation struggle of the Serbs in Bosnia-Herzegovina so far and provides a basis for the enlargement of these minimal results through negotiations, through agreements with the other side, and through a better understanding of the fundamental interests of the Serb people on the part of the international community, Jovanovic said.

Hazardous behavior can be attractive in a personal, emotional decline, but has nothing in common with a responsible political stance and conduct, Jovanovic believes.

According to him, what is important for every individual involved in the political life of his people is to restrain his emotions, take a down-to-earth approach to his own dreams, and move around in the world of reality not in a world of wishful thinking, Jovanovic said.

It is more realistic to expect that such a realization will come in a time of peace and successful negotiations than in a time of ongoing war and rejection of the international community's offers, Jovanovic stressed.

Simic Says Decision Not Aimed Against Serbs

AU0408183894 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 4 Aug 94

[Statement by FRY Vice President Zeljko Simic; place and date not given—recorded]

[Text] The decision of the Federal Government that has just been passed had been politically inevitable because, in my personal opinion, it represents a natural consequence of a consistently peaceful and peace-loving policy

that the FRY [Federal Republic of Yugoslavia] has been championing, advocating, and pursuing since the outbreak of the crisis on the territory of the former Yugoslavia and the civil war in the former Bosnia-Herzegovina.

Besides—what is perhaps the most important in all this—it is an expression of absolute unity that exists in the FRY at all levels regarding the outcome and resolution of the civil war in the former Bosnia-Herzegovina.

What is also very important is that this decision is in no way aimed against the Serbian people in the Srpska republic. On the contrary, it has been passed for its benefit. Primarily, it comes as a result of a major political sobering because it advocates an opinion that it is absolutely impossible to pursue a policy that would subordinate the general, long-term, national interests of the Serbian people and all FRY citizens to the personal and individual interests of any leadership.

I believe that such a decision must have positive effects in the international sphere because it, in a way, draws a line between a policy that openly favors peace, the continuation of the negotiating process, and making way to a solution that will be in the interest of all three constituent peoples in the former Bosnia-Herzegovina, and a policy that is unfortunately very much separated from the political reality, which is not only out of touch with this political reality but is, furthermore, in great collision with this political reality and must as such be removed from the political scene.

Serbia

Assembly Speaker Condemns Pale Position

LD0408175494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1356 GMT 4 Aug 94

[Text] Belgrade, 4 Aug (TANJUG)—The fact that the leadership of the Srpska republic has rejected peace, even though the objective of the Serb people's struggle has been achieved and the Srpska republic has been established on half the territory of former Bosnia-Herzegovina, not only shows that the Srpska republic leadership is in favor of war, but also that they have other objectives which they wish to attain through war, Serbian Assembly Chairman Dragan Tomic said in a statement today.

By this act, the Srpska republic leadership has confirmed that two wars are being waged there, Tomic believes. "One war is being waged by the people for the defense of their homes and freedom, while another war is being waged in villas in Dedinje and Geneva for personal interest, interest of their families, personal promotion, and wealth."

It is only the leadership which does not take into consideration the interests of the people, but personal and group interests that favor war, not peace, the Serbian Assembly speaker said wondering whether there is a

nation anywhere in the world which prefers to live in a state of war rather than peace.

Tomic also stressed that by adopting the decision on the referendum, the Srpska republic leadership turned a deaf ear to the interests of its people, and concluded: "They placed their own need to wage a war before the suffering and the solidarity of Yugoslav citizens, and therefore I believe that nobody in the Federal Republic of Yugoslavia, Serbia, or Montenegro should have any contacts with them until they accept the peace plan, continue the peace process, and respect the interest and will of the people."

Jovic Sees 'Maximum' Achieved by Bosnia War

AU0408194894 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 4 Aug 94

[Interview with Borisav Jovic, vice president of the Serbian Socialist Party, SPS, by Dusan Djordjevic; in Belgrade on 4 August—recorded]

[Excerpts] [Jovic] What I would like to say and what every citizen of Serbia, Yugoslavia, the Srpska republic, and every Serb here should know is that the just struggle of the Serbian people for their national rights has, so far, been realized to the extent to which the international community was willing to recognize it. The present extent as it is—well it is possible that what not everybody is satisfied with, well we are not completely satisfied—reflects the real balance of powers and realistic possibilities, the realistic maximum that can be achieved by war. From now on, in our assessment, the possibilities of war are diminishing. [passage omitted]

[Djordjevic] Mr. Jovic, there has been a lot of manipulation because numerous issues contained in the documents and proposals by the international community and the Contact Group are not known. We have heard that this was one of the reasons for this decision rejection of the peace plan by the Bosnian Serbs. However, some information, for example from our fellow TANJUG correspondent from Geneva, claims that the international community proposed draft constitutional provisions and [word indistinct] to the Srpska republic?

[Jovic] You know, nobody in his right mind here can expect that President Milosevic would explain to the public officially via POLITIKA what this plan actually means and contains and that Russian Foreign Minister Kozyrev would confirm it entirely and repeat it. Nobody can believe that they would be saying something that is not true, that an agreement does exist, that they have reached an agreement, and that others support this. Afterward, other foreign agencies confirmed that this has all been conceived and that all others agree to it.

Therefore, it is impossible that the Bosnian Serb leadership would not know. They know it all, and I would not venture into individual phases and details on to what extent this is a part of the negotiating process, how firm it is, and so forth. However, if they are being told and

receive guarantees from such a high level... they must be aware that all this is a process of negotiating and agreeing, where things are taken a step at a time and that nobody can coerce somebody into something, especially not the weaker party the more powerful one. The Serbian people in Bosnia cannot force America and Germany to admit to defeat and say: Here, everything as the Serbs want it!

We must realize that these are superpowers that must slowly, little by little, change their public opinions at home and finally give to the Serbs what they can and must give rather than giving them everything at once.

SPS Condemns Bosnian Serb Decision on Plan

LD0408162394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 4 Aug 94

[Text] Belgrade, 4 Aug (TANJUG)—The Socialist Party of Serbia [SPS] most strongly condemns the decision of the Srpska republic leadership to reject peace.

The decision to reject peace now that the fundamental goals of the Serbian nation have been achieved—one half of the territory of the former Bosnia-Herzegovina for the Srpska republic, internationally guaranteed borders, and a chance to continue the peace process—has provoked a great deal of bitterness among the citizens of Serbia, we read in the statement of the SPS main committee.

With this decision, the Srpska republic leadership has called into question all the goals attained, and thus all the victims of the just struggle of the Serbian people for freedom and equality have been in vain. Such a decision is a direct threat to the very survival of the Serb nation in the Srpska republic.

By deciding not to accept peace the Srpska republic leadership has negated all the self-sacrifice, victims, and help without which these goals would never have been achieved. This only goes to show that the present leadership of the Srpska republic has not been guided by the interests of the people but, above all, by personal and group material interests.

By calling a referendum without first giving complete information to the people about the peace plan—about its advantages if peace is accepted and its consequences if the war is to continue—the Srpska republic leadership wishes to shift its own responsibility to the citizens and obtain support for its perilous policy.

Today, the SPS stresses once again that solidarity with the people in the Srpska republic will never be called into question. But these people must be told that the perilous policy of the Srpska republic leadership is not in its interest. Apart from international recognition, condemnation and rejection of such a policy represents a chance to achieve the Serbian national interests, to establish peace and end the suffering of the Serbian people.

Serbia favors peace. This is an undivided and unanimous opinion of the Serbian people and of the citizens of

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Serbia and Yugoslavia. The decision to establish peace is the decision which establishes the authority of the majority of Serbian people, because a vast majority of the Serbian people favor peace.

The SPS fully supports the statement of Republic of Serbia President Slobodan Milosevic and the federal government's measures in connection with the decision of the Srpska republic's leadership to reject peace.

Djindjic: Bosnian Serb Referendum Criticized

AU0408144294 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 4 Aug 94

[Text] The calling of a referendum does not constitute a decision, but a postponement of a decision for the Democratic Party. This was stated by Party President Zoran Djindjic at the news conference. Here is a report by Dragoljub Stankic:

[Begin recording] [Stankic] The solution adopted in Pale last night is deficient for two reasons, Zoran Djindjic says. First, all important international organizations will pass their decisions before the referendum is held and second, before the session the prevailing opinion was that it is possible to find a compromise in specifying the guarantees within the offered solution.

It is not realistic to expect that this form would be replaced by another one shortly, Zoran Djindjic says. What the Contact Group passed must form the framework within which further guarantees will be sought and ambiguities defined.

[Djindjic] If the citizens of the Srpska republic will reply to this offered plan with yes or no without additional details then the essence of this reply is known already. We, therefore, believe that it is of vital interest that the decision about the peace plans' future be passed prior to the referendum. [end recording]

Seselj Expresses Support for Bosnian Serbs

LD0408141894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1317 GMT 4 Aug 94

[Text] Belgrade, 4 Aug (TANJUG)—The Serbian Radical Party [SRS] today supported yesterday's decision of the Srpska republic assembly not to accept the peace plan of the international contact group for Bosnia.

"The SRS fully supports the determination of the highest-ranking political representatives of the Srpska republic in rejecting the ultimatum and pressures, as well as their resistance to the Serbian people being forced to capitulate," the party chairman, Vojislav Seselj, said at a news conference.

According to him, "the Belgrade regime seriously embarrassed itself by exerting pressure on the Srpska republic," and Seselj believes that the response to the pressure could be the unification of the Srpska republic and the republic of Serb Krajina.

The SRS leader said that in 1992 Slobodan Milosevic was elected president of Serbia with the Radicals' votes because, Seselj claims, "he then held the positions of the SRS, while now he has sided with the Serbian Renewal Movement [SPO] and the Civic Alliance of Serbia."

"Because he has changed his policy, he should check the people's will," Seselj expressed the belief.

He said that in that respect the SRS will demand that the Serbian assembly take a confidence vote in the president of the republic.

As far as the announced tightening of the sanctions against the Federal Republic of Yugoslavia is concerned, the leader of the Radicals said that this is additional pressure to frighten even more the Belgrade regime into applying tougher measures against the Srpska republic.

"The sanctions are so cruel and hard that they cannot be worsened in any significant way," Seselj stated.

Montenegro

Bulatovic Supports Freezing Relations With Pale

AU0408162694 Belgrade Radio Beograd Network in Serbo-Croatian 1443 GMT 4 Aug 94

[Statement by Montenegrin President Momir Bulatovic; place and date not given—recorded]

[Text] The decision of the Srpska republic assembly to essentially reject the Contact Group peace plan is an unreasonable political act. This has definitely confirmed the fears of all those who, for months and years, directly observed the diplomatic and political effectiveness of the Srpska republic's negotiating team. Namely, the chasm between them and the international mediators steadily widened. The policy of the top men of the Srpska republic became increasingly obnoxious, exclusive, and self-satisfying. They treated the few friends in the international community as if they had an obligation to achieve their demands. Towards us in Montenegro and Serbia, they have behaved insincerely and essentially in a deprecating manner. The differences culminated on the Contact Group plan which the Srpska republic leadership presented to their public and the public in general as a catastrophe and a capitulation, even though, in our assessment, this is a reasonable if difficult political compromise that can end the war. All the reasons and convictions that we presented in the course of numerous long meetings, seem unfortunately not to have been presented to the deputies and public in the Srpska republic. In place of sober analysis, room has been made for boiling national emotions and an arena created for the passions of perverted individuals. If the logic of those who make the decisions does not change immediately, the Serbian people in former Bosnia-Herzegovina are threatened by catastrophe, which is so much more tragic as there is no real reason for it.

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Faced with these facts and their consequences, there was no other course of action open to us other than to rescue peace and stability for the citizens of the Federal Republic of Yugoslavia [FRY] with decisive efforts and at a high price. The announced sanctions—sadly once again imposed by the Srpska republic leadership's unreasonable behavior—are so severe that they would paralyze normal life and degrade the sacrifices made by our citizens over a two-year period in order to help the Serbian people outside the FRY. In addition to this, our further sacrifices would be senseless because we would be aiding those who have opted for the continuation of the war. That is why I fully support the latest decision made by the Federal Government regarding the freezing of relations with the Srpska republic, and I hope that the international community—particularly the UN Security Council—will accurately interpret our decision as contributing to the policy of peace. I am, however, particularly worried by voices from the Srpska republic who aspire to interpret and assess political circumstances in Montenegro and Serbia with the intention of fanning and multiplying our internal problems and disagreements. Some of them seem to have a desire to see the flames of war engulfing these regions, and knowing the unscrupulous natures of certain individuals and groups over there, it is our duty to undertake all measures for the protection of our citizens and their property. That is why all the relevant state bodies are particularly alert. We have guarantees that any attempt to destabilize the internal circumstances in the FRY will be thwarted. Moreover, I have proposed that an extraordinary session of the Montenegrin Assembly be held, at which our parliament would adopt a position toward the newly evolved situation.

Kosovo

Trial of Seven Albanians Continues in Prishtina

AU0408152694 Tirana Radio Tirana Network in Albanian 1330 GMT 4 Aug 94

[Text] The trumped-up political trial of Albanians charged with allegedly receiving military training in Albania continues in Prishtina. Meanwhile, it is reported that the trial of Magistrate Ukshin Hoti, chairman of the

National Unity Party in Kosova, has been postponed until 27 September. Our correspondent in Prishtina, Mehmet Haziri:

[Haziri] As was warned, today's hearing will decide on the proposals by the defense counsels of seven Albanians charged with hostile activity. Yesterday, the public prosecutor of the Serbs installed in the Regional Court in Prishtina refused to present evidence by the defense, testifying to the innocence of their clients.

He also demanded that the statements of several witnesses who were previously interrogated be read at court, but the defense asked that the witnesses be present and give their statements before the court. The defense also proposed that military medical books be considered as testimony to the innocence of their clients. These books testify that some of the accused were not fit to perform military service.

The defense proposed Dr. Zekeria Cana, representative of the Council for the Defense of Human Rights and Freedoms, as a witness. Dr. Cana visited some of the accused in the Labinot asylum on the occasion of the dispatch of aid to several cities in Macedonia [The Former Yugoslav Republic of Macedonia]. They also asked for reports from a number of international humanitarian associations such as the United Nations High Commission for Refugees, the Vienna and Stockholm-based Helsinki Committees, etc., which should have been informed about refugees in the Labinot-Fushe.

We want to remind our listeners that seven Albanian youths who are being tried in the Serbian Court in Prishtina are charged with receiving military training in the Albanian barracks near Elbasan, with the aim of starting an insurrection to detach Kosova from Serbia. However, the charges of the Serbian occupying power are not supported by any facts, just like in all the trials of Albanians held so far in Kosova.

As of 17 May this year, Magistrate Ukshin Hoti, professor of Prishtina University and chairman of the National Unity Party, has been kept into custody, charged, with no facts, of allegedly committing actions that endanger the territorial integrity of the self-proclaimed Yugoslavia. This integrity has perhaps been infringed to the maximum when the Belgrade regime ignited the fuse of war on the former Yugoslav territory.

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